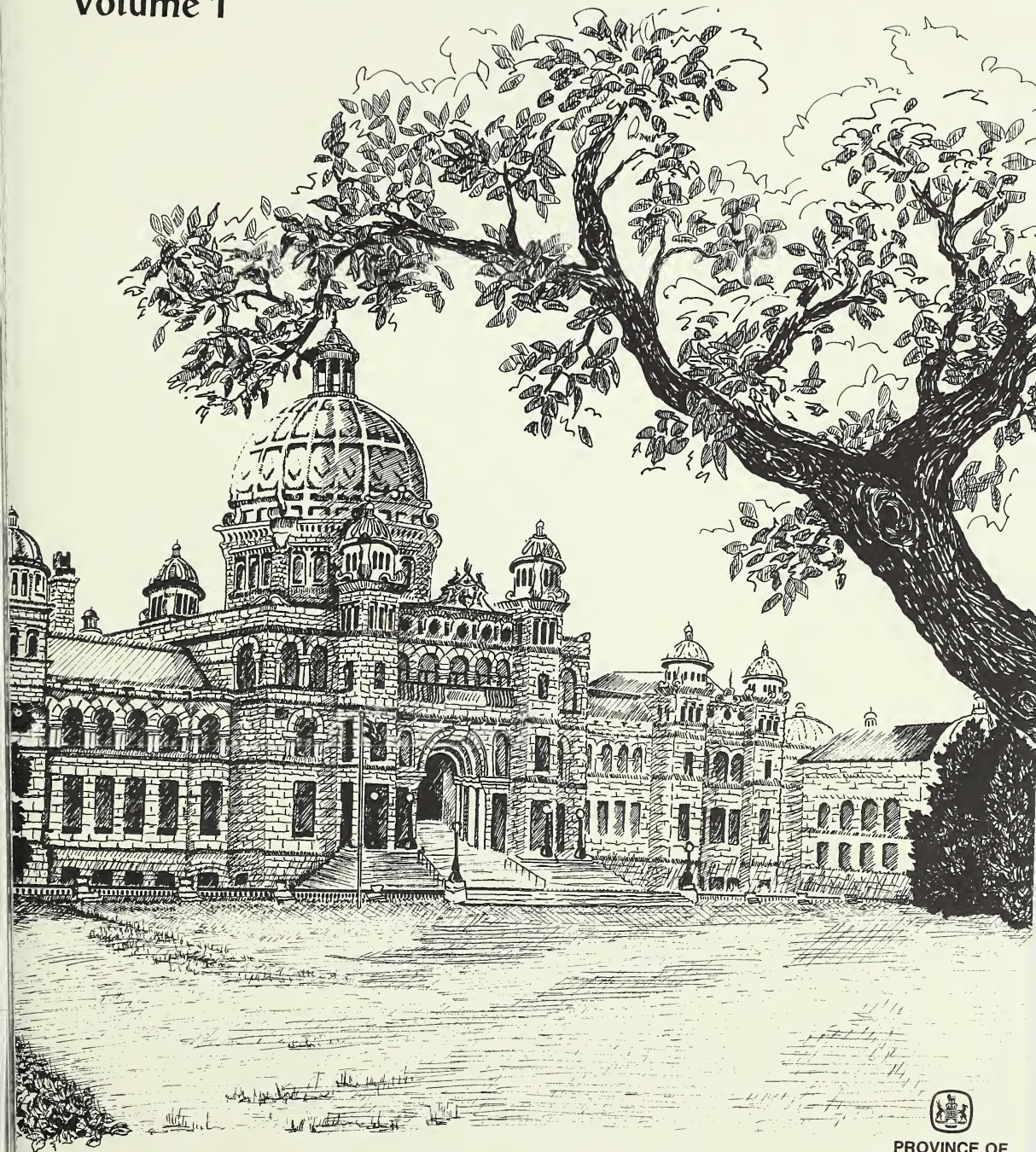


# 1992-93

## Public Accounts

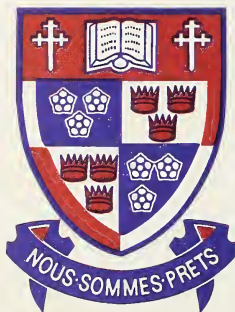
### Volume 1



PROVINCE OF  
BRITISH COLUMBIA



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# **1992-93**

## **Public Accounts Volume 1**

**CONSOLIDATED REPORTING ENTITY,  
TRUST FUNDS AND SUMMARIES OF  
FINANCIAL INFORMATION REPORTS**

**FOR THE FISCAL YEAR ENDED  
MARCH 31, 1993**



**PROVINCE OF  
BRITISH COLUMBIA**

**MINISTRY OF  
FINANCE AND  
CORPORATE RELATIONS**

**HON. ELIZABETH CULL**

Minister of Finance and Corporate Relations

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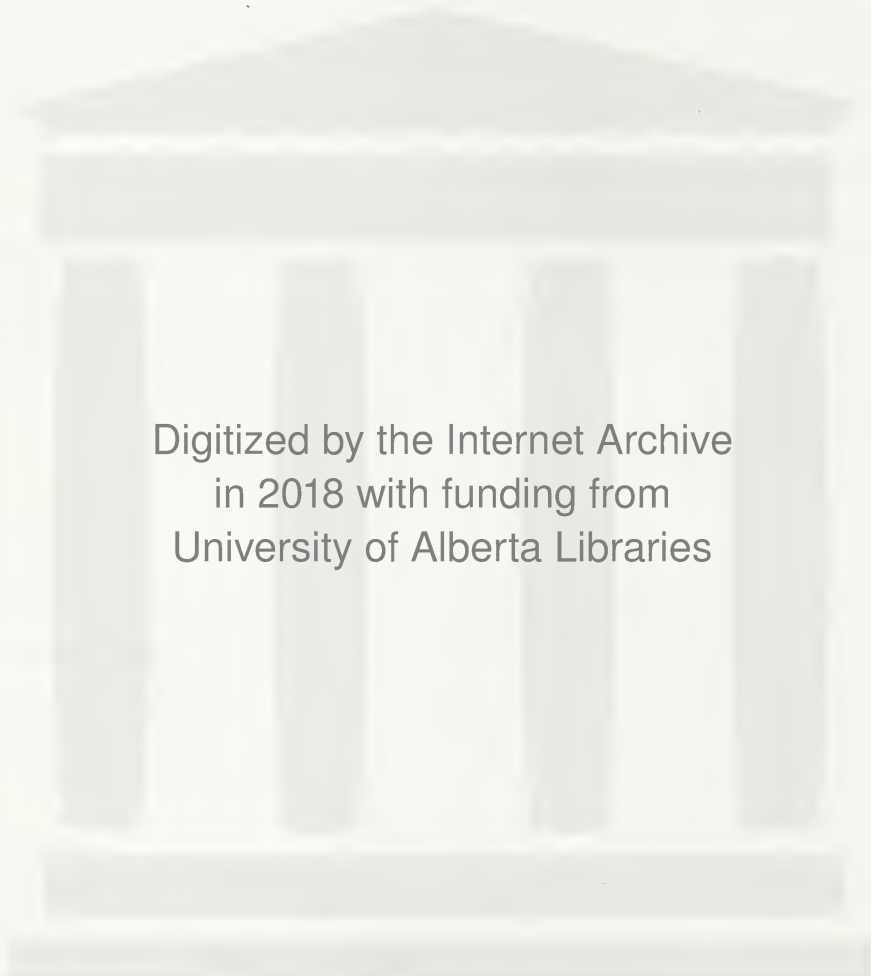
*Lieutenant Governor of the Province of British Columbia.*

MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present the Public Accounts of the Province of British Columbia for the fiscal year ended March 31, 1993.

ELIZABETH CULL  
*Minister of Finance  
and Corporate Relations*

*Ministry of Finance  
and Corporate Relations  
Victoria, British Columbia  
November 30, 1993*



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November 30, 1993  
Victoria, British Columbia

*The Honourable* ELIZABETH CULL  
*Minister of Finance and Corporate Relations*

I have the honour to submit herewith the Public Accounts of the Province of British Columbia for the fiscal year ended March 31, 1993.

Respectfully submitted,

ALAN J. BARNARD  
*Comptroller General*





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Note: There is another volume of the Public Accounts, entitled: Volume II — Financial Statements and Schedules of the Consolidated Revenue Fund.





# Introduction

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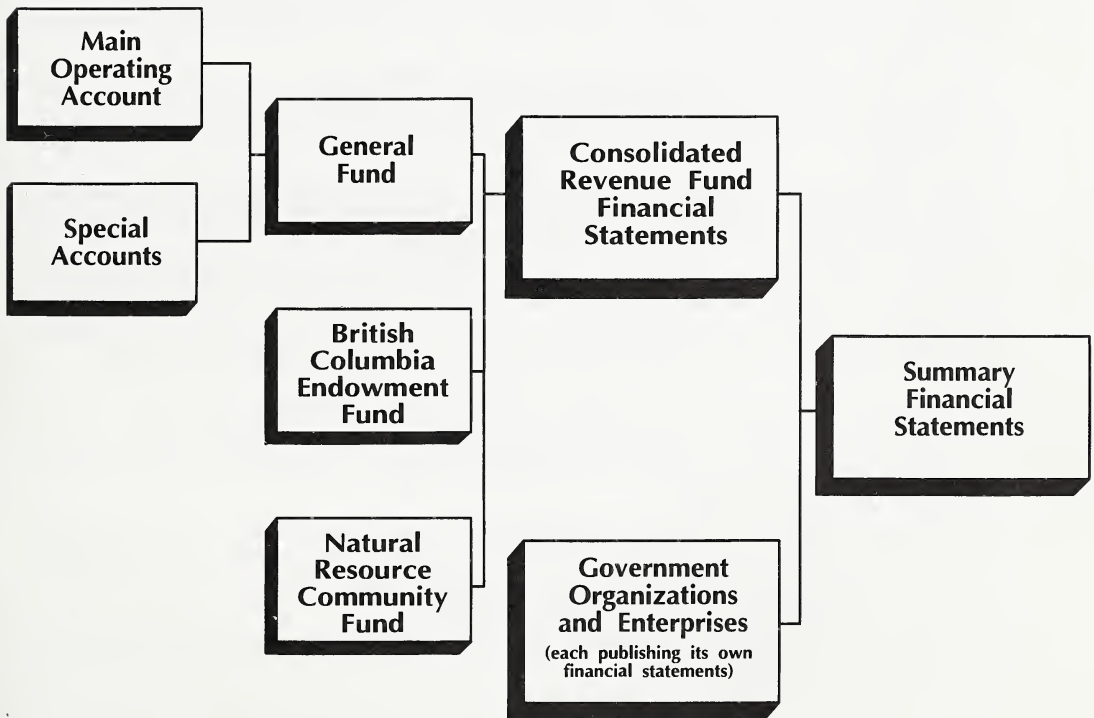
# Introduction

The Public Accounts are the documents that contain the audited financial statements of the government and other financial information presented to the Legislative Assembly to show compliance with the various statutory authorities. The government's financial statements are prepared in accordance with the accounting policies described in this Introduction and on a basis consistent with that of the preceding year, except where a change or variation is explicitly described in the Significant Accounting Policies section below.

## Government Financial Statements

The government carries on its activities through a variety of appropriations, special funds, corporations and agencies. Financial statements are prepared to incorporate two levels of activity under its authority: the Consolidated Revenue Fund Financial Statements and the Summary Financial Statements.

Consolidated Revenue Fund statements incorporate the General Fund (main operating account and special accounts) and Special Funds such as the British Columbia Endowment Fund and the Natural Resource Community Fund. These represent the funds over which the government has direct control. When the Consolidated Revenue Fund is consolidated with government organizations and enterprises, the result is the Summary Financial Statements. This is graphically illustrated below:



Each set of financial statements includes the following:

- *Balance Sheet*—a statement of financial position, showing recorded assets and liabilities, with the residual difference being net equity. In addition to the recorded assets, the province owns a significant number of physical assets, including highways, bridges, ferries and Crown land, which includes parks, forests and all other publicly held land in the province.

- *Statement of Revenue and Expenditure*—a statement summarizing the items of revenue and expenditure for the fiscal year. The net revenue or expenditure for a year represents the change in net equity for the same period.
- *Statement of Changes in Cash and Temporary Investments*—a statement showing how the operating transactions (being those expenditures and other transactions which affect operating results) and financing transactions (being those transactions such as loans which affect the financial position but not the operating results) have affected the cash and temporary investments position of the government.
- *Notes and Supplementary Statements to Financial Statements*—these provide additional information on the amounts included in the financial statements and they form an integral part of the financial statements.

## Public Accounts Content

The Public Accounts are divided into two volumes as follows:

### Volume I — Consolidated Reporting Entity, Trust Funds and Summaries of Financial Information Reports

- *Summary Financial Statements*—these statements have been prepared to disclose the economic impact of the government's activities. They aggregate the Consolidated Revenue Fund and government organizations and enterprises.
- *Financial Statements of Government Organizations and Enterprises*—this section contains the latest audited financial statements of government organizations and enterprises. A summary of financial information for other entities subject to the *Financial Information Act* is incorporated in the last section of this volume.
- *Trust Funds Financial Statements*—this section contains the latest audited financial statements of the pension, superannuation and long-term disability funds administered by the government. A summary of financial information for trust funds is included in this section.
- *Summaries of Financial Statements of Corporations and Agencies to which the Financial Information Act applies*—this section contains summaries of the financial statements of corporations, associations, boards, commissions, societies and public bodies required to report under the *Financial Information Act* (S.B.C. 1985, chapter 8, section 2) and not included elsewhere in this volume.

### Volume II — Financial Statements and Schedules of the Consolidated Revenue Fund

- *Consolidated Revenue Fund Financial Statements*—these statements include the accounts of the Consolidated Revenue Fund, combining the activities of the General Fund with funds earmarked for specific purposes, Special Funds.
- *Supplementary Schedules to the Financial Statements*—this section contains schedules which support the information presented in the province's Consolidated Revenue Fund financial statements, including details of expenditures by ministerial appropriations, together with an analysis of statutory appropriations and Special Accounts and Funds transactions.
- *Detailed Schedules of Payments*—this section contains detailed schedules of salaries, wages, travel expenses, grants and other payments.

# Summary Financial Statements as at March 31, 1993

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Auditor General of British Columbia

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## AUDITOR GENERAL'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS

*To the Legislative Assembly  
of the Province of British Columbia  
Parliament Buildings  
Victoria, British Columbia*

I have audited the balance sheet of the Government of the Province of British Columbia as at March 31, 1993 and the statements of revenue and expenditure and changes in cash and temporary investments for the year then ended. These financial statements are the responsibility of the Government. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. In the conduct of my audit, I have received all the information and explanations I have required.

I report in accordance with section 7 of the Auditor General Act. In my opinion these financial statements present fairly, in all material respects, the financial position of the Government as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with the stated accounting policies as set out in note 1 to these financial statements applied on a basis consistent with that of the preceding year.

  
George L. Morfitt, FCA  
Auditor General

*Victoria, British Columbia  
August 16, 1993*



## Statement of Responsibility for Government Financial Statements

Responsibility for the integrity and objectivity of the government's financial statements rests with the government. The financial statements are prepared by the Comptroller General under the direction of the Treasury Board, pursuant to section 8(2) of the *Financial Administration Act*, in accordance with the government's stated accounting policies. Each financial statement covers the fiscal year of the government, which is from April 1 to March 31 of the following year.

To fulfill its accounting and reporting responsibilities, the government maintains systems of financial management and internal control which give due consideration to costs, benefits and risks, and which are designed to provide reasonable assurance that transactions are properly authorized by the Legislative Assembly, are executed in accordance with prescribed regulations, are properly recorded so as to maintain accountability of public money and safeguard the assets and properties of the Province of British Columbia under government administration. The Comptroller General of British Columbia maintains the accounts of British Columbia, a centralized record of the government's financial transactions, and obtains additional information as required from ministries, agencies and Crown corporations to meet accounting and reporting requirements.

The Auditor General of British Columbia provides an independent opinion on the financial statements prepared by the government. The duties of the Auditor General in that respect are contained in section 7 of the *Auditor General Act*.

Annually, the financial statements are tabled in the Legislature as a part of the Public Accounts, and are referred to the Standing Committee on Public Accounts of the Legislative Assembly. The Standing Committee on Public Accounts reports to the Legislative Assembly on the results of its examination together with any recommendations it may have with respect to the financial statements and accompanying audit opinions.

Approved on behalf of the Ministry of Finance and Corporate Relations:



MICHAEL COSTELLO

Deputy Minister of Finance and  
Corporate Relations



ALAN J. BARNARD

Comptroller General



## Summary Financial Statements Balance Sheet as at March 31, 1993

	Note	In Millions	
		1993	1992
<b>Assets</b>		\$	\$
Cash and temporary investments .....	2	159	85
Accounts receivable .....	3	1,328	1,163
Inventories .....	4	47	48
Amounts due from other governments .....	5	103	89
Equity in government enterprises .....	6	3,021	2,522
Loans, advances and other investments .....	7	777	702
Mortgages receivable .....	8	144	138
Fiscal Agency Loan Program .....	9	10,181	8,521
Other assets .....	10	61	28
		<u>15,821</u>	<u>13,296</u>
<b>Liabilities and Net Equity (Deficiency)</b>			
Liabilities:			
Accounts payable and accrued liabilities .....	11	2,155	2,027
Amounts due to other governments .....	12	84	105
Due to Crown corporations, agencies and trust funds .....	13	67	63
Deferred revenue .....	14	310	314
Public debt, used for government operating purposes .....	15	9,675	7,248
Public debt, used for Fiscal Agency Loan Program .....	16	10,160	8,502
		<u>22,451</u>	<u>18,259</u>
Net equity (deficiency) .....	17	(6,630)	(4,963)
		<u>15,821</u>	<u>13,296</u>
Physical assets .....	18		
Contingencies and commitments .....	19		

The accompanying notes and supplementary statements are an integral part of these financial statements.

# **Summary Financial Statements** **Statement of Revenue and Expenditure** **for the Fiscal Year Ended March 31, 1993**

	In Millions	
	1993	1992
<b>Revenue</b>	\$	\$
Taxation—personal income.....	4,018	4,287
Taxation—corporate income.....	545	577
Taxation—social service.....	2,085	1,991
Taxation—property.....	1,463	1,248
Taxation—other.....	1,548	1,165
Natural resources.....	1,245	1,101
Fees and licences—Medical Services Plan premiums.....	776	742
Fees and licences—other.....	768	725
Investment earnings.....	442	412
British Columbia Endowment Fund.....	47	
Privatization Benefits Fund.....		52
Miscellaneous.....	237	287
Contributions from government enterprises.....	769	465
Contributions from the federal government—Established Programs Financing.....	1,532	1,156
Contributions from the federal government—Canada Assistance Plan.....	794	767
Contributions from the federal government—other.....	179	180
Recoveries.....	952	795
<b>Total revenue.....</b>	<b>17,400</b>	<b>15,950</b>
<b>Expenditure</b>		
Health.....	6,051	5,601
Social services.....	2,309	1,949
Education.....	4,795	4,514
Protection of persons and property.....	797	705
Transportation.....	1,051	1,241
Natural resources and economic development.....	1,098	1,288
Other.....	586	572
General government.....	914	936
Debt servicing.....	1,767	1,523
<b>Total operating expenditure (Note 20).....</b>	<b>19,368</b>	<b>18,329</b>
<b>Net Operating Revenue (Expenditure) for the Year.....</b>	<b>(1,968)</b>	<b>(2,379)</b>
<b>Non-Operating Transactions</b>		
Increase in unremitted earnings of government enterprises (Note 6).....	301	216
<b>Consolidated Net Revenue (Expenditure) for the Year (Note 21).....</b>	<b>(1,667)</b>	<b>(2,163)</b>

The accompanying notes and supplementary statements are an integral part of these financial statements.

# Summary Financial Statements

## Statement of Changes in Cash and Temporary Investments

### for the Fiscal Year Ended March 31, 1993

	In Millions			1992
	1993			
	Receipts \$	Disburse- ments \$	Net \$	Net \$
<b>Operating Transactions</b>				
Net operating revenue (expenditure) for the year.....			(1,968)	(2,379)
Non-cash items included in net expenditure:				
Concessionary loan adjustments increases .....			26	24
Provision for doubtful accounts increases .....			38	211
Unremitted equity of government enterprises increases .....			301	216
Other under \$15 million .....			(24)	(2)
Public debt issue/discount (decreases) increases .....			21	(52)
Accounts receivable (increases) .....			(190)	(57)
Due from other governments (increases) .....			(14)	(25)
Accounts payable increases.....			128	185
Due to other governments (decreases) .....			(21)	(92)
Equity in government enterprises (increases) .....			(499)	(145)
Due to Crown corporations increases .....			4	10
Cash items applicable to future operations.....			(18)	20
Cash (used for) operations .....			(2,216)	(2,086)
<b>Investment Transactions</b>				
Loans, advances and other investments (issues).....	18	134	(116)	12
Mortgages receivable repayments (issues) .....	9	1	8	6
Cash derived from (used for) investments .....	27	135	(108)	18
Total financial (requirements).....			(2,324)	(2,068)
<b>Financing Transactions<sup>1</sup></b>				
Increase in public debt .....	22,553	18,492	4,061	3,123
Used for Fiscal Agency Loan Program .....	(15,230)	(13,567)	(1,663)	(1,189)
Cash derived from financing.....	7,323	4,925	2,398	1,934
(Increase) decrease in cash and temporary investments .....			74	(134)
Balance—beginning of year .....			85	219
Balance—end of year .....			159	85

<sup>1</sup>Financing transaction receipts are from debt issues and disbursements are for debt repayments.

The accompanying notes and supplementary statements are an integral part of these financial statements.



## Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 1993

### 1. Significant Accounting Policies

#### (a) REPORTING ENTITY

These financial statements include the accounts of organizations which are accountable for the administration of their financial affairs and resources either to a minister of the government or directly to the Legislature, and are owned or controlled by the government.

A detailed schedule of organizations included in these consolidated financial statements may be found on B26.

Advanced education institutions are excluded from consolidation. These organizations are dissimilar to other government organizations in terms of their objectives, operations and financial reporting practices. Trusts administered by a government or government organization are excluded from the government reporting entity.

#### (b) PRINCIPLES OF CONSOLIDATION

The accounts of the organizations, except those designated as government enterprises, are consolidated after adjusting them to a basis consistent with the accounting policies described below. Inter-organization accounts and transactions are eliminated upon consolidation.

A government enterprise has the financial and operating authority to carry on a business, including contracting in its own name, and sells goods and services to individuals and non-government organizations as its principal activity and source of revenue.

Government enterprises are recorded on the modified equity basis. Under this basis, the government's investment is initially recorded at cost and adjusted annually to include the net earnings/losses and other net equity changes of the enterprise without adjusting them to conform with the accounting policies described below. Since the government ensures the ongoing activities of government enterprises, full account is taken of losses in these enterprises, even where the cumulative losses exceed the original investment.

Inter-enterprise accounts and transactions are not eliminated. However, profit elements included in such transactions, including certain increases in contributed surplus, are eliminated.

Adjustments are not made to account for changes in organizations whose fiscal year-ends are not March 31, unless the effect of adjustment would be significant to the consolidated operating results.

#### (c) BASIS OF ACCOUNTING AND SPECIFIC POLICIES

The governments Summary financial statements are prepared in accordance with the accounting policies described below and on a basis consistent with that of the preceding year:

##### BASIS OF ACCOUNTING

The accrual basis of accounting is used, which is specifically expressed as follows:

##### *Revenue*

All revenues are recorded on an accrual basis except where the accruals cannot be determined with a reasonable degree of certainty or where their estimation is impracticable. The exceptions, which normally relate to certain payments to the province under the *Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977*, are recorded on a cash basis.

##### *Expenditure*

All expenditures, including the cost of fixed assets, are recorded for goods and services received during the year. Grants (which include forgivable loans) are recorded as expenditures when disbursement of the funds has been authorized. Contributions are recorded as expenditures at the earlier of:

- (i) the date payment has been authorized; or,
- (ii) the date on which performance conditions are achieved by the recipient under provisions of a statute, contract or agreement.

Authorized contributions relating to retroactive wage settlements are recorded as an expenditure of the period during which the services were provided.

Tax credits/offsets are accrued on the same basis as the associated tax revenues.

##### *Assets*

All assets are recorded to the extent that they represent cash and claims upon outside parties or items held for resale to outside parties as a result of events and transactions prior to the year-end. Rental payments for leases which transfer the benefits and risks incident to the ownership of certain assets, not including special purpose buildings, are reported as expenditures at the dates of inception of the leases.

##### *Liabilities*

All liabilities are recorded to the extent that they represent claims payable to outside parties as a result of events and transactions prior to the year-end, including: probable losses on loan guarantees issued by the government; contingent liabilities when it is likely a liability exists and the amount of the liability can be reasonably determined on an individual or portfolio basis; and, unfunded pension liabilities calculated using the Level Contribution Funding Actuarial Cost Method.

Changes in the unfunded liability for pension plans which arise as a result of estimation adjustments due to experience gains and losses and changes in actuarial assumptions are amortized over expected average remaining service life of the related employee group. Gains or losses arising as a result of plan amendments are recognized in full in the year of amendment.

*Foreign Currency Translation*

Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the exchange rate prevailing at the year-end, and foreign currency transactions are translated at the exchange rate prevailing at the date of the transaction unless hedged by forward contracts which specify the rate of exchange. Adjustments to revenue or expenditure transactions arising as a result of foreign currency translation are credited or charged to operations at the time the adjustments arise. Unrealized foreign currency gains and losses on long-term, fixed-term monetary assets and liabilities are reported as deferred charges and amortized over the remaining terms of the related items on a straight line basis.

Non-monetary assets and liabilities are translated at historical rates of exchange.

*Concessionary Loans and Mortgages*

Loans and mortgages that are made at a rate of interest below the government's borrowing rate for an equivalent term are considered concessionary.

Concessionary loans and mortgages are recorded at their net present value (net of grant component) less any provision required for doubtful collection. Present value discounts are recorded as grant expenditures.

Principal repayments of concessionary loans and mortgages will first be applied to the reduced loan or mortgage balance (net present value) and then recorded as revenue (recovery of a grant) when received.

*Valuation Allowances*

Valuation allowances, such as provisions for doubtful accounts and provisions for reduction in value of investments, are included as expenditures on the statement of revenue and expenditure. Personal, corporate income and property tax are recorded net of tax credits and adjustments which are based upon revised assessments of actual tax revenue of previous taxation years. Tax credits and adjustments are not considered valuation allowances.

*SPECIFIC POLICIES**Cash and Temporary Investments*

Cash balances are shown after deducting outstanding cheques issued prior to the year-end. Cheques issued subsequent to the year-end relating to the previous year are included in accounts payable.

Temporary investments include short-term investments recorded at the lower of cost or market value. Temporary investments consist mainly of units in the Province of British Columbia Pooled Investment Portfolio money market funds. Units are carried at the lower of cost of acquisition adjusted by income attributed to the units, or market value.

*Accounts Receivable*

All amounts receivable (including any trade receivables from government enterprises) at the year-end for work performed, goods supplied or services rendered are recorded as revenue or recoveries of the fiscal year. Valuation allowances are provided where collectibility is considered doubtful.

*Inventories*

Inventories comprise items held for resale and are recorded at the lower of cost or net realizable value. Inventories of supplies are charged to the respective programs when the cost is incurred.

Property under development, which will eventually be sold to outside parties, is recorded at the lower of cost or net realizable value.

*Amounts Due From Other Governments*

Amounts due from other governments include loans and advances outstanding at the year-end.

*Equity In Government Enterprises*

Equity in government enterprises represents the government's investment (including long-term advances) in those government organizations at cost, adjusted for increases and decreases in the investees' net assets.

*Loans, Advances and Other Investments*

Loans, advances and other investments are recorded at cost less adjustment for any prolonged impairment in value.

*Mortgages Receivable*

Mortgages receivable are secured by real estate and are repayable over periods ranging up to thirty years. Valuation allowances are made where collectibility is considered doubtful.

*Fiscal Agency Loan Program*

Fiscal Agency Loan Program consists of loans made to government bodies, and cash and temporary investments set aside for the specific purpose of loaning to government bodies. Loans are recorded at maturity value less unamortized discounts and sinking fund balances. Discounts are amortized on an effective yield basis. These loans are recorded as assets even if they are only recoverable through future appropriations of the government.

*Other Assets*

Other assets include prepaid program costs. Prepaid program costs represent expenditures made during the fiscal year for work to be performed, goods to be supplied, services to be rendered or contractual obligations to be fulfilled by outside parties in a subsequent fiscal year. These costs also include inventories of operating materials held in the Purchasing Commission and Queen's Printer warehouses pending distribution in a subsequent fiscal year.

Also included in other assets are certain deferred charges.

*Physical Assets*

Disbursements for physical assets are recorded as expenditures in the year the assets are received. Consistent with the reporting of physical assets as expenditures, highways, bridges, wharves, ferries and ferry landings, buildings, office equipment, furniture, automobiles and Crown land comprised of parks, forests and all other publicly held land by the province, not including property under development, are recorded at a nominal value of \$1.

*Accounts Payable and Accrued Liabilities*

All amounts payable (including any trade payables to government enterprises) for work performed, goods supplied, services known to have been rendered or for charges incurred in accordance with the terms of a contract are recorded as part of the expenditures of the fiscal year.

*Amounts Due to Other Governments*

Amounts due to other governments represent liabilities incurred due to advances and loans from other governments.

*Due to Crown Corporations, Agencies and Funds*

Amounts due to Crown corporations, agencies and funds represent liabilities incurred, other than trade payables, which are payable in the following year.

*Deferred Revenue*

Deferred revenue represents amounts received or receivable prior to the year-end relating to revenue that will be earned in subsequent fiscal years.

*Public Debt*

Public debt represents direct debt obligations for the purposes of the Government of British Columbia, the Fiscal Agency Loan Program and direct debt obligations of consolidated Crown corporations. These obligations are recorded at principal less unamortized discounts and sinking fund balances where applicable. Discounts are amortized on an effective yield basis.

*Guaranteed Debt*

Guaranteed debt represents that debt of municipalities and other local governments, private enterprises and individuals, and debt and minority interests of provincial Crown corporations, which has been explicitly guaranteed or indemnified by the government, under the authority of a statute, as to net principal or redemption provisions. Valuation allowances are made where probable losses can be reasonably estimated.

A valuation allowance provision is established representing the probable losses on loan guarantees issued by the government. The amount of the provision is determined by the loss experience of the guarantee program and is sufficient to meet the expected payout of the guarantee to the lender. The provision is recorded as an expense in the year the guarantee is issued and is adjusted as necessary to ensure it equals the expected payout of the guarantee.

*Commitments*

Commitments represent future obligations of the government and government organizations and enterprises for capital contracts and extraordinary program commitments, to the extent of contracts and agreements in place at the year-end.

## Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 1993—Continued

### 2. Cash and Temporary Investments

	In Millions	
	1993	1992
	\$	\$
Cash (cheques issued in excess of funds on deposit).....	(150)	(100)
Temporary investments		
Units in Province of British Columbia Pooled Investment Portfolios.....	309	185
	<u>159</u>	<u>85</u>

### 3. Accounts Receivable

	In Millions	
	1993	1992
	\$	\$
Taxes receivable.....	954	836
Trade accounts receivable.....	224	205
Accrued interest.....	266	236
Crown corporations and agencies.....	24	21
	<u>1,468</u>	<u>1,298</u>
Less provision for doubtful accounts.....	(140)	(135)
	<u>1,328</u>	<u>1,163</u>

### 4. Inventories

	In Millions	
	1993	1992
	\$	\$
Property under development.....	46	47
Ministerial inventories.....	1	1
	<u>47</u>	<u>48</u>

### 5. Amounts Due From Other Governments

	In Millions	
	1993	1992
	\$	\$
Government of Canada:		
Current.....	87	66
Other provinces:		
Current.....	14	2
Local governments: <sup>1</sup>		
Current.....	2	21
	<u>103</u>	<u>89</u>

<sup>1</sup>Local governments are municipal units established by the provincial government. They include regional and metropolitan municipalities, cities, towns, townships, districts, rural municipalities and villages.

## Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 1993—Continued

### 6. Equity in Government Enterprises<sup>1</sup>

6. Equity in Government Enterprises <sup>1</sup>	In Millions			
	1993			1992
	Investments and Amounts Due \$	Unremitted Earnings \$	Total \$	Total \$
B.C. Pavilion Corporation .....	154		154	157
British Columbia Assessment Authority .....		5	5	3
British Columbia Ferry Corporation .....		223	223	241
British Columbia Housing and Employment Development Financing Authority....				1
British Columbia Housing Management Commission .....		8	8	8
British Columbia Hydro and Power Authority .....	237	1,188	1,425	951
British Columbia Liquor Distribution Branch.....		1	1	
British Columbia Lottery Corporation.....	9		9	20
British Columbia Petroleum Corporation .....		1	1	1
British Columbia Railway Company .....	258	701	959	903
British Columbia Steamship Company (1975) Ltd.....		2	2	3
British Columbia Transit .....		118	118	116
Duke Point Development Limited.....		4	4	4
Pacific National Exhibition .....		31	31	32
Provincial Capital Commission.....		4	4	4
Provincial Rental Housing Corporation.....	49	6	55	60
W.L.C. Developments Ltd.....		22	22	18
	707	2,314	3,021	2,522

<sup>1</sup> See B27 for details.

### Change in Equity in Government Enterprises

Change in Equity in Government Enterprises	In Millions			
	1993			1992
	Investments and Amounts Due \$	Unremitted Earnings \$	Total \$	Total \$
Balance—beginning of year.....	509	2,013	2,522	2,377
Increase (decrease) for the year .....	198	301	499	145
Balance—end of year .....	707	2,314	3,021	2,522



## Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 1993—Continued

### 7. Loans, Advances and Other Investments<sup>1</sup>

	In Millions	
	1993	1992
	\$	\$
<i>Agricultural Land Development Act</i> .....	9	9
<i>British Columbia Endowment Fund Act</i> .....	535	
<i>Crop Insurance Stabilization Act</i> .....	14	15
<i>Development Corporation Act</i> .....	117	114
<i>Downtown Revitalization Act</i> .....	8	9
<i>Financial Administration Act</i> .....	46	37
<i>Homeowner Assistance Act</i> .....	3	4
<i>Industrial Development Fund Act</i> .....	6	20
<i>Industrial Development Incentive Act</i> .....	165	158
<i>Low Interest Loan Agreement Revolving Fund Act</i> .....	2	4
<i>Ministry of Lands, Parks and Housing Act</i> .....		1
<i>Natural Resource Community Fund Act</i> .....	19	
<i>Privatization Benefits Fund Act</i> .....		512
<i>Vancouver Island Natural Gas Pipeline Act</i> .....	15	7
Other .....	107	66
	1,046	956
Less provision for doubtful accounts .....	(269)	(254)
	<b>777</b>	<b>702</b>

<sup>1</sup>The act reference in this section is that under which the loan program was established.

### 8. Mortgages Receivable

	In Millions	
	1993	1992
	\$	\$
Crown Land—pursuant to the <i>Ministry of Lands, Parks and Housing Act</i> .....	14	17
False Creek land sale .....		
Note receivable .....	118	106
Public participation funding agreement .....	7	7
Provincial Regional Housing Corporation .....		1
Provincial Home Acquisition—pursuant to the <i>Provincial Home Acquisition Act</i> , <i>Home Purchase Assistance Act</i> , and the <i>Home Conversion and Leasehold Loan Act</i> .....	37	41
Other .....	2	2
	178	174
Less provision for doubtful accounts .....	(34)	(36)
	<b>144</b>	<b>138</b>

## Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 1993—Continued

### 9. Fiscal Agency Loan Program

	In Millions	
	1993	1992
	\$	\$
Amounts recoverable substantially from future grant appropriations:		
B.C. Pavilion Corporation .....		6
British Columbia Transit.....	1,142	1,087
Capital Project Certificate of Approval Program.....	367	250
Improvement Districts.....	3	2
Post Secondary Education Institutions .....	880	682
Regional Hospital Districts .....	957	897
School Districts.....	1,404	1,144
Thompson-Nicola District.....	1	1
	<u>4,754</u>	<u>4,069</u>
Amounts recoverable from sources other than future grant appropriations:		
British Columbia Assessment Authority .....	5	8
British Columbia Ferry Corporation.....	300	149
British Columbia Housing Management Commission .....	9	
British Columbia Hydro and Power Authority .....	4,756	4,077
British Columbia Railway Company.....	93	48
Greater Vancouver Sewerage and Drainage District .....	162	94
Greater Vancouver Water District .....	102	70
W.L.C. Developments Ltd.....		6
	<u>5,427</u>	<u>4,452</u>
	<u><b>10,181</b></u>	<u><b>8,521</b></u>

### 10. Other Assets

	In Millions	
	1993	1992
	\$	\$
Prepaid program costs .....	11	3
Deferred charges .....	50	25
	<u><b>61</b></u>	<u><b>28</b></u>

### 11. Accounts Payable and Accrued Liabilities

	In Millions	
	1993	1992
	\$	\$
Trade accounts payable and other liabilities.....	883	926
Accrued interest on public debt .....	544	402
Accrued employee leave entitlements.....	121	110
Provision for guaranteed debt payout.....	43	44
Other accrued liabilities <sup>1</sup> .....	119	100
Accrued pension liabilities <sup>2</sup> .....	445	445
	<u><b>2,155</b></u>	<u><b>2,027</b></u>

<sup>1</sup>Includes pending litigation, provision for clean up of Expo land site and other miscellaneous contingent liabilities.

<sup>2</sup>This is an estimated liability based on actuarial assumptions of future inflation rates, interest rates and wage increases made as of March 31, 1990, and also includes an estimated amount to cover M.L.A. pensions.

## Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 1993—Continued

### 12. Amounts Due to Other Governments

	In Millions	
	1993	1992
	\$	\$
Government of Canada:		
Current.....	35	74
Local governments: <sup>1</sup>		
Current.....	49	31
	<u>84</u>	<u>105</u>

<sup>1</sup>Local governments are municipal units established by the provincial government. They include regional and metropolitan municipalities, cities, towns, townships, districts, rural municipalities and villages.

### 13. Due to Crown Corporations, Agencies and Trust Funds

	In Millions	
	1993	1992
	\$	\$
Trust Funds .....	29	18
British Columbia Colleges and Institutes .....	19	17
British Columbia Hydro and Power Authority .....		10
British Columbia Liquor Distribution Branch .....		2
British Columbia Transit .....	4	4
Simon Fraser University .....		3
University of British Columbia .....	15	7
University of Victoria .....		2
	<u>67</u>	<u>63</u>

### 14. Deferred Revenue

	In Millions	
	1993	1992
	\$	\$
Motor vehicle licences and permits .....	97	91
Water rentals and recording fees .....	74	74
Petroleum, natural gas and minerals, leases and fees .....	21	21
Medical Services Plan premiums .....	53	56
Miscellaneous .....	65	72
	<u>310</u>	<u>314</u>



## Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 1993—Continued

### 15. Public Debt, Used for Government Operating Purposes

Year of Maturity	1993				1992	
	Canadian Dollar Debt \$	U.S. Dollar Debt (CDN \$) \$	Total Canadian Dollars \$	Weighted Average Coupon Rate Percent	Total Canadian Dollars \$	Weighted Average Coupon Rate Percent
Short-term promissory notes.....						
1992-1993					840	
1993-1994	283	67	350		6	
	<u>283</u>	<u>67</u>	<u>350</u>		<u>846</u>	
Treasury bills.....					780	
1992-1993					780	
1993-1994	780		780			
	<u>780</u>		<u>780</u>		<u>780</u>	
Notes, bonds and debentures.....						
1992-1993					346	8.19
1993-1994	355	1	356	9.26	406	9.76
1994-1995	532	13	545	8.56	505	9.23
1995-1996	1,404	1	1,405	7.68	618	10.71
1996-1997	923	4	927	9.30	916	9.33
1997-1998	992		992	7.97	181	9.66
1998-2003	3,173	931	4,104	9.47	2,814	10.52
2003-2008	153		153	6.51	152	11.52
2008-2013	828		828	8.77	557	9.78
2013-2018	57		57	8.49		
2018-2023	445		445	9.34		
	<u>8,862</u>	<u>950</u>	<u>9,812</u>	<u>8.87</u>	<u>6,495</u>	<u>10.03</u>
Total debt issued at face value.....	<u>9,925</u>	<u>1,017</u>	<u>10,942</u>		<u>8,121</u>	
Less:						
Sinking funds .....			(1,080)		(721)	
			<u>9,862</u>		<u>7,400</u>	
Unamortized discount.....			(172)		(147)	
			<u>9,690</u>		<u>7,253</u>	
Amount held in the Consolidated Revenue Fund .....			(15)		(5)	
			<u><u>9,675</u></u>		<u><u>7,248</u></u>	

Promissory notes outstanding at March 31, 1993 mature at various dates to September 2, 1993 at an annual average interest rate of 6.09%. During the year, \$1.8 billion in notes were issued at interest rates which varied between 4.68% and 8.20%.

Treasury bills outstanding at March 31, 1993 mature at various dates to September 29, 1993 at an annual average interest rate of 6.45%. During the year, \$2.4 billion in Treasury bills were issued at interest rates which varied between 4.53% and 8.70%.

The province had 167 series of notes and bonds outstanding at March 31, 1993.

Included in notes and bonds payable in Canadian currency are Japanese Yen notes totalling 14.4 billion Yen (1992: 26.2 billion Yen) which have been fully hedged to \$116.7 million Canadian (1992: \$194.2 million Canadian) through currency exchange agreements, and U.S. dollar notes totalling \$300 million (1992: nil) which have been fully hedged to \$365.6 million (1992: nil) through currency exchange agreements.

The province holds \$15 million (1992: \$5 million) of the bonds issued and outstanding at March 31, 1993. These have been eliminated from the balance sheet for reporting purposes.

The aggregate amounts of payments estimated to be required in each of the next five fiscal years to meet sinking fund and retirement provisions are:

	In Millions	
	Canadian Funds	U.S. Funds
	\$	\$
1994.....	383	17
1995.....	668	24
1996.....	1445	17
1997.....	801	20
1998.....	938	16

## Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 1993—Continued

Under interest rate swap agreements relating to long and medium term debt with fixed rates, the fixed rate debt service payments are exchanged for variable rate payments for some of the notes, bonds and debentures. At March 31, 1993, \$450 million (1992: nil) in Canadian dollar debt principal was subject to interest rate swaps. The agreements, which relate to three separate bond issues, mature at various dates up to January 9, 2002. Interest rate differentials range from 1.25% to 2.148%.

Under interest rate swap agreements relating to short term debt, variable rate debt service payments are exchanged for fixed rate payments for some of the short term promissory notes. At March 31, 1993, \$85 million (1992: \$45 million) in Canadian dollar debt principal was subject to interest rate swaps. The agreements mature at various date up to February 19, 2001. Interest rate differentials range from 4.726% to 5.166%.

### 16. Public Debt, Used for Fiscal Agency Loan Program

	Year of Maturity	In Millions 1993				1992	
		Canadian Dollar Debt \$	U.S. Dollar Debt (CDN \$) \$	Total Canadian Dollars \$	Weighted Average Coupon Rate Percent	Total Canadian Dollars \$	Weighted Average Coupon Rate Percent
Short-term promissory notes .....	1992-1993					2,292	
	1993-1994	1,183	1,055	2,238			
		1,183	1,055	2,238		2,292	
Notes, bonds and debentures .....	1992-1993					42	13.53
	1993-1994	788		788	11.44	771	11.70
	1994-1995	242		242	9.68	232	9.85
	1995-1996	32		32	11.27	69	10.14
	1996-1997	231		231	9.19	308	9.14
	1997-1998	562		562	8.85	313	9.66
	1998-2003	2,430	442	2,872	10.68	2,187	11.62
	2003-2008	1,378		1,378	11.28	1,378	11.27
	2008-2013	2,062		2,062	10.12	1,809	10.22
	2013-2018	593		593	8.50		
	2018-2023	905		905	10.06	600	10.60
		9,223	442	9,665	10.49	7,709	10.92
Total debt issued at face value .....		10,406	1,497	11,903		10,001	
Less:							
Sinking funds .....				(1,657)		(1,430)	
				10,246		8,571	
Unamortized discount .....				(64)		(49)	
				10,182		8,522	
Amount held in the Consolidated Revenue Fund .....				(22)		(20)	
				<b>10,160</b>		<b>8,502</b>	

Promissory notes outstanding at March 31, 1993 mature at various dates to November 19, 1993 at an annual average interest rate of 5.04%. During the year, \$13.2 billion in notes were issued at interest rates which varied between 3.65% and 8.99%.

The province had 361 issues of notes, bonds and debentures outstanding at March 31, 1993.

Included in notes, bonds and debentures payable in Canadian currency are Japanese Yen notes totalling 4.9 billion Yen (1992: 8.0 billion Yen) which have been fully hedged to \$33.4 million Canadian (1992: \$53.3 million Canadian) and U.S. dollar notes totalling \$70 million (1992: nil) which have been fully hedged to \$89.6 million Canadian (1992: nil) through foreign currency exchange agreements.

The province holds \$22 million (1992: \$20 million) of the bonds issued and outstanding at March 31, 1993. These have been eliminated from the balance sheet for reporting purposes.

**Notes to Summary Financial Statements  
for the Fiscal Year Ended March 31, 1993—Continued**

The aggregate amounts of payments estimated to be required in each of the next five fiscal years to meet sinking fund and retirement provisions are:

	In Millions	
	Canadian Funds	U.S. Funds
	\$	
1994.....	928	4
1995.....	358	4
1996.....	176	4
1997.....	262	4
1998.....	452	4

Under interest rate swap agreements relating to long and medium term debt with fixed rates, the fixed rate debt service payments are exchanged for variable rate payments for some of the notes, bonds and debentures. For long and medium term debt with variable rates, the variable rate debt servicing payments are exchanged for variable rate payments calculated on a different basis. At March 31, 1993, \$800 million (1992: \$1,050 million) in Canadian dollar debt principal and \$100 million (1992: nil) in U.S. dollar debt principal was subject to interest rate swaps. The agreements, which relate to five separate bond issues, mature at various dates up to February 5, 2003. Interest rate differentials range from 0.714% to 6.704%. Subsequent to March 31, 1993, two interest swap agreements totalling \$275 million were closed out and buyout payments totalling \$6.4 million were received.

Under interest rate swap agreements relating to short term debt, variable rate debt service payments are exchanged for fixed rate payments for some of the short term promissory notes. At March 31, 1993, \$205 million (1992: nil) in U.S. dollar debt principal was subject to interest rate swaps. The agreements mature at various dates up to August 19, 2002. Interest rate differentials range from 3.28% to 3.915%.

Included in notes, bonds and debentures are Canada Pension Plan debentures totalling \$4.4 billion at March 31, 1993. They mature at various dates to July 10, 2012, at an average interest rate of 10.52%. During the year, \$222.6 million in debentures were issued at interest rates which varied between 9.17% and 9.45%.

## Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 1993—Continued

### 17. Net Equity (Deficiency)

	In Millions	
	1993	1992
	\$	\$
Net equity (deficiency)—beginning of year .....	(4,963)	(2,800)
Net revenue (expenditure) for the year .....	(1,667)	(2,163)
Net equity (deficiency)—end of year .....	<b>(6,630)</b>	<b>(4,963)</b>

### 18. Physical Assets

Physical assets are recorded as expenditures in the year they are received. Expenditures for physical assets are classified in the books of the province as "Asset Acquisitions." An estimate of the value of the acquired physical assets, along with applicable depreciation, can be found on HI 11 in the unaudited section of the Public Accounts.

### 19. Contingencies and Commitments

#### (a) GUARANTEED DEBT

Guaranteed debt as at March 31, 1993 totalled \$3.4 billion (1992: \$4.1 billion).

	In Millions	
	1993	1992
	Net Outstanding \$	Net Outstanding \$
Municipalities and other local governments .....	5	6
Health and education .....	182	153
Economic development .....	838	915
Utilities .....	2,504	3,149
Total .....	3,529	4,223
Less:		
Amounts included as investments within the consolidated entity .....	(51)	(70)
Provision for probable payout .....	(43)	(44)
	<b>3,435</b>	<b>4,109</b>

#### (b) CONTINGENT LIABILITIES

##### (i) Pending litigation

The government is a defendant in legal actions which may give rise to future liabilities. Contingent liabilities are accrued in the financial statements when it is likely that a liability exists and the amount of the liability can be reasonably estimated on an individual or portfolio basis.

- Consolidated Revenue Fund—the total claimed in specific legal actions, where the estimated or known claim is or exceeds \$100,000, amounts to approximately \$207 million. See Note 19 to the Consolidated Revenue Fund Financial Statements section of the Public Accounts for details.

##### (ii) Other contingent liabilities

The government also has contingent liabilities in the form of indemnities, indirect guarantees and outstanding claims. Where indemnities are for explicit quantifiable loans, the amounts are included in the statement of guaranteed debt.

Under the *Criminal Injury Compensation Act*, the province is responsible for providing compensation to victims of crime in British Columbia, for offences described in the Act.

##### (iii) Aboriginal Land Claims

The absence of treaties relating to most of the territory constituting British Columbia has resulted in a number of outstanding aboriginal land claims across British Columbia. Some of these claims have resulted in litigation but most have simply been submitted to governments for negotiation. The province's position on these claims is that, although the province recognizes aboriginal rights including the inherent right of aboriginal people to self-government, the precise location, scope, and content of these rights should be established not through litigation, but by means of tripartite negotiations involving the federal and provincial governments and aboriginal groups. The province anticipates that these negotiations will result in modern day treaties defining the boundaries and nature of aboriginal lands and rights and ensure a more stable environment for resource development in British Columbia.

## Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 1993—Continued

### 19. Contingencies and Commitments—Continued

Twenty-one tribal councils and bands have had comprehensive land claims accepted for negotiation by the Government of Canada. The claim of Nisga'a Tribal Council in the Nass Valley in northwestern British Columbia is the only claim under active negotiation, although both the federal and provincial governments are committed to engaging in multiple negotiations over the next several years. The British Columbia Treaty Commission has been established to facilitate these negotiations in the future.

There is currently one major aboriginal rights case before the courts in British Columbia. It involves a claim by Hereditary Chiefs and the houses they represent to jurisdiction and control over approximately 5.5 million hectares located in mainly rural and wilderness areas of British Columbia. They also seek declarations which challenge the province's ownership and jurisdiction over the lands, mines, minerals, royalties, resources and all other matters within the claim area. They assert that the province's jurisdiction is subject to their right of ownership and further that the province cannot issue licenses or permits authorizing the use of any resources. They also seek damages from the province for wrongful appropriation and the use of the claim area. The claim was dismissed at trial on March 8, 1991. The trial judge held that all land-based aboriginal rights were lawfully extinguished in colonial times (pre 1871). The trial decision was appealed to the British Columbia Court of Appeal which rendered its judgment allowing the appeal in part on June 25, 1993.

The Court of Appeal dismissed the plaintiffs' claims of ownership and jurisdiction, but held that aboriginal rights had *not* been extinguished as a result of colonial legislation or actions of either the provincial or federal governments before or since 1871 (when British Columbia entered Confederation). The court held that because of the division of powers in the *Constitution Act, 1867*, the province was constitutionally incompetent to extinguish aboriginal rights after 1871, and could only legitimately displace or suspend such rights under section 88 of the *Indian Act* (Canada), which came into force in 1951.

While the Court of Appeal dismissed the plaintiff's claim for damages because it was based on their assertion of ownership and jurisdiction, the court left open the possibility of other claims for damages or other remedies associated with provincial interference with aboriginal rights, particularly between 1871 and 1951. However, the court also indicated that the validity of Crown grants and resource tenures issued before 1982 (when the then existing aboriginal and treaty rights of aboriginal peoples became constitutionally recognized and affirmed under the *Constitution Act, 1982*) could not now be called into question. Since 1982 any government interference with then existing aboriginal rights must be justified (in accordance with a test previously established by the Supreme Court of Canada) by the government authority so interfering.

Aboriginal rights were not specifically defined by the Court of Appeal other than as activities relating to use and occupation of land that an organized aboriginal society regarded as an integral part of their distinctive culture at the time of the declaration of British sovereignty (1846) over what is now British Columbia. However, the court did state that aboriginal rights are non-exclusive and are not necessarily incompatible with other types of land use. The court held that the precise scope, content and location of aboriginal rights and the reconciliation of those rights with other uses of lands and resources were left to be determined in trial proceedings properly framed to deal with those issues. However, the court also indicated throughout the judgment that those issues were "ripe for negotiation" and encouraged the parties to negotiate their differences.

The deadline for filing an appeal in this case to the Supreme Court of Canada is October 25, 1993. As at September 10, 1993, neither party has appealed or publicly announced an intention to appeal.

Seven other cases involving aboriginal rights issues were also recently decided by the Court of Appeal. These cases can be categorized as follows:

- hunting cases wherein an aboriginal right to hunt for sustenance and ceremonial purposes was held to exist and consequently certain Provincial statutory provisions were held to be inoperative in their application to aboriginal peoples;
- commercial fishing cases wherein the aboriginal right to fish for sustenance and ceremonial purposes was held not to extend to commercial fishing; and
- fishing cases wherein the right of native bands to establish bylaws with respect to reserve lands was held not to extend to regulation of fishing on rivers running through reserves.

No appeal has, at September 10, 1993, been taken by the parties with respect to any of those seven cases. The deadline for filing an appeal of those cases to the Supreme Court of Canada is also October 25, 1993.

#### (c) COMMITMENTS

At the end of each year, government has a number of commitments outstanding for capital contracts. Such future expenditures are charged to the appropriation in the year in which the work or service is performed. Year-end commitments for capital contracts totalled approximately \$223 million (1992: \$411 million).

**Notes to Summary Financial Statements  
for the Fiscal Year Ended March 31, 1993—Continued**

**20. Expenditure by Group Account Classification**

	In Millions	
	1993	1992
	\$	\$
Grants and contributions.....	13,582	12,570
Salaries and benefits.....	1,760	1,617
Operating costs.....	1,584	1,643
Asset acquisitions.....	420	611
Other.....	2,022	1,888
Total operating expenditure.....	<b>19,368</b>	<b>18,329</b>

Valuation allowances of \$18 million (1992: \$211 million) are included in the "Other" group account classification.



# Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 1993—Continued

## 21. Comparison of Planned and Actual Results

	In Millions						1992	
	1993							
	Revenue		Expenditure		Net		Net	
	Budget	Actual	Budget	Actual	Budget	Actual	Actual	Actual
	\$	\$	\$	\$	\$	\$	\$	\$
Consolidated Revenue Fund .....	16,191	16,083	17,980	17,960	(1,789)	(1,877)		(2,355)
B.C. Festival of Arts Society .....	1	1	1	1				
B.C. Health Care Risk Management Society .....	3	3	3	3				
B.C. Summer and Winter Games Society .....	3	3	3	3				
British Columbia Buildings Corporation .....	344	366	324	338	20	28		20
British Columbia Educational Institutions Capital Financing Authority .....		74		74				
British Columbia Hazardous Waste Management Corporation .....				1		(1)		
British Columbia Health Research Foundation .....	8	10	8	9		1		1
British Columbia Heritage Trust .....	3	2	3	3		(1)		
British Columbia Hospital Districts Financing Authority .....		107		107				
British Columbia School Districts Capital Financing Authority .....		123		123				
British Columbia Systems Corporation .....	183	186	176	174	7	12		18
British Columbia Trade Development Corporation .....	14	14	14	14				(1)
British Columbia Year of Music Society .....								
Cloverdale Historic Society of British Columbia .....		1		2		(1)		
Downtown Revitalization Program Society of British Columbia .....		2		2				
First Peoples' Heritage, Language and Culture Council .....		23		23				
Health Facilities Association of British Columbia .....		3		9	(7)	(6)		13
Okanagan Valley Tree Fruit Authority .....		14		19		(5)		
Science Council of British Columbia .....		2		2	(1)			
The Education Technology Centre of British Columbia .....								
Adjustments necessary to conform to government accounting policy, including expensing the purchase of fixed assets .....		383		501		(118)		(75)
		17,400		19,368		(1,968)		(2,379)
Organizations recorded on a modified equity basis—government en- terprises .....		301				301		216
		17,701		19,368		(1,667)		(2,163)

## Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 1993—Continued

### 22. Expenses Due to Increases in Valuation Allowances

	In Millions	
	1993	1992
	\$	\$
Accounts receivable.....	5	54
Investments in and amounts due from Crown corporations and agencies .....		4
Loans, advances and other investments .....	15	155
Mortgages receivable .....	(2)	(2)
	<b>18</b>	<b>211</b>

These amounts are included in expenditure and represent the write down of assets in the above categories.

### 23. Trust Funds

Amounts held and administered in trust by the government at the end of the fiscal year totalled \$27.6 billion (1992: \$25.6 billion). See Note 23 to the Consolidated Revenue Fund Financial Statements for further details.

### 24. Comparatives

Certain of the comparative figures for the previous year have been reclassified to conform with the current year's presentation. Net student loan balances due to the province of \$1 million have been reclassified from "Other Assets" to "Loans, Advances and Other Investments."

As a result of a legislative change that occurred July 24, 1992, Medical Services Commission for the year ended March 31, 1993 is included in the Consolidated Revenue Fund financial statements and is no longer a government organization.

For the current year sinking fund income of financing authorities has been deducted from investment earnings and debt servicing costs. Figures from the previous years have been restated.

These reclassifications have had no effect on the operating results or fund balances as previously reported.

### 25. Subsequent Events

Subsequent to the year-end, the province announced that the entire Tatshenshini-Alsek region of north-western British Columbia would become a Class A (Wilderness) provincial park. The province further stated that tenure holders would be fairly compensated by the government.



**Summary Financial Statements  
Statement of Organizations and Enterprises  
Recorded on a Consolidated or Modified Equity Basis  
for the Fiscal Year Ended March 31, 1993**

**GOVERNMENT ORGANIZATIONS  
RECORDED ON CONSOLIDATED BASIS**

Consolidated Revenue Fund

B.C. Festival of the Arts Society  
B.C. Health Care Risk Management Society  
B.C. Summer and Winter Games Society  
British Columbia Buildings Corporation  
British Columbia Educational Institutions Capital Financing Authority  
British Columbia Hazardous Waste Management Corporation  
British Columbia Health Research Foundation  
British Columbia Heritage Trust  
British Columbia Regional Hospital Districts Financing Authority  
British Columbia School Districts Capital Financing Authority  
British Columbia Systems Corporation  
British Columbia Trade Development Corporation  
British Columbia Year of Music Society  
Cloverdale Historic Transportation Society of B.C.  
Downtown Revitalization Program Society of British Columbia  
First Peoples' Heritage, Language and Culture Council  
Health Facilities Association of British Columbia  
Okanagan Valley Tree Fruit Authority  
Science Council of British Columbia  
The Education Technology Centre of British Columbia

**GOVERNMENT ENTERPRISES  
RECORDED ON MODIFIED EQUITY BASIS**

B.C. Pavilion Corporation  
British Columbia Assessment Authority  
British Columbia Enterprise Corporation  
British Columbia Ferry Corporation  
British Columbia Housing and Employment Development Financing Authority  
British Columbia Housing Management Commission  
British Columbia Hydro and Power Authority  
British Columbia Liquor Distribution Branch  
British Columbia Lottery Corporation  
British Columbia Petroleum Corporation  
British Columbia Railway Company  
British Columbia Steamship Company (1975) Ltd.  
British Columbia Transit  
Creston Valley Wildlife Management Authority Trust Fund  
Duke Point Development Limited  
Hospitals Foundation of British Columbia  
Insurance Corporation of British Columbia  
Pacific National Exhibition  
Plain Language Institute of British Columbia Society  
Provincial Capital Commission  
Provincial Rental Housing Corporation  
W.L.C. Developments Ltd.  
178561 B.C. Ltd. (Pacific Coach Lines Ltd.)

# Statement of Government Enterprises Summary of Financial Position and Operating Results for the Year Ended March 31, 1993

PUBLIC ACCOUNTS 1992/93

B 27

## Financial Position

	Utility	Insurance			Liquor	Trans- portation	In Millions			Natural Resources	Housing	Total
		\$	\$	\$			Finance	Industry	\$			
<b>Assets</b>												
Cash and temporary investments.....	59	3,078	9	7	52	8	4	13	3,230			
Accounts receivable.....	364	108	6	98	10	4	3	24	617			
Inventories.....	71		51	21		30		4	173			
Loans and advances.....				6					4			
Long-term investments.....				35		1			7			
Fixed assets.....	8,954	133	7	3,521	23	185	220	13,043				
Other assets.....	557	78		3	88	232	7	265	681			
	10,005	3,397	73	3,688					17,755			
<b>Liabilities</b>												
Accounts payable and accrued liabilities.....	483	2,605	72	235	68	12	2	23	3,500			
Debt:												
—owing to government.....	4,756			1,509		3		18	6,286			
—owing to others.....	2,449			429	5			67	2,950			
Other long-term liabilities.....				5	1				6			
Deferred liabilities.....	882	792		11		6		64	1,755			
	8,570	3,397	72	2,189	74	21	2	172	14,497			
Net assets (liabilities).....	1,435	0	1	1,499	14	211	5	93	3,258			
<b>Adjustments and eliminations</b>												
Unrealized inter-company profit.....	(9)			(123)				13	4			
Unamortized asset appraisal increases.....	(10)			(67)				(84)	(207)			
Unamortized gain on debt defeasance.....	8			(7)				42	43			
Permanent debt/equity financing.....												
Equity in government enterprises 1992/93.....	1,424	0	1	1,302	14	211	5	64	3,021			
Equity in government enterprises 1991/92.....	951	0	0	1,263	24	211	5	68	2,522			

**Statement of Government Enterprises**  
**Summary of Financial Position and Operating Results**  
**for the Year Ended March 31, 1993—Continued**

	Utility	In Millions					Housing	Total
		Insurance	Liquor	Trans- portation	Finance	Industry	Natural Resources	
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Results of Operations</b>								
Revenue								
From operations .....	2,178	2,083	1,377	891	797	60	27	99
Transfer from government .....				278		7		45
Total revenue .....	2,178	2,083	1,377	1,169	797	67	27	144
Expenses								
From operations .....	1,580	2,083	859	1,132	568	65	26	141
Transfers to government .....	303							303
Total expenses .....	1,883	2,083	859	1,132	568	65	26	141
<b>Net income (loss) for the year 1992/93 .....</b>	<b>295</b>	<b>0</b>	<b>518</b>	<b>37</b>	<b>229</b>	<b>2</b>	<b>1</b>	<b>3</b>
<b>Net income (loss) for the year 1991/92 .....</b>	<b>197</b>	<b>(55)</b>	<b>456</b>	<b>53</b>	<b>218</b>	<b>6</b>	<b>0</b>	<b>2</b>

# **Statement of Equity in Government Enterprises for the Fiscal Year Ended March 31, 1993**

	Utility <sup>1</sup>	Insurance <sup>2</sup>	Liquor <sup>3</sup>	Trans- portation <sup>4</sup>	In Millions				
	\$	\$	\$	\$	Finance <sup>5</sup>	Industry <sup>6</sup>	Natural Resources <sup>7</sup>	Housing <sup>8</sup>	Total
Balance—beginning of year.....	951	0	0	1,263	\$ 23	\$ 212	\$ 5	\$ 68	\$ 2,522
Net earnings (losses) for the year .....	295	0	517	37	229	3	1	3	1,085
Dividends paid.....				(10)					(10)
Capital transfers from (to) government.....	(9)		(514)		(238)		(1)		(762)
Changes in adjustments and eliminations.....	6			18				(6)	18
Prior period adjustments.....	181			2		(3)		(2)	183
Other adjustments .....			(2)	(8)					(15)
Increase (decrease) in equity of government enterprises.....	473	0	1	39	(9)	0	0	(5)	499
Balance—end of year .....	<b>1,424</b>	<b>0</b>	<b>1</b>	<b>1,302</b>	<b>14</b>	<b>212</b>	<b>5</b>	<b>63</b>	<b>3,021</b>

<sup>1</sup>Utility includes British Columbia Hydro and Power Authority.

<sup>2</sup>Insurance includes Insurance Corporation of British Columbia.

<sup>3</sup>Liquor includes British Columbia Liquor Distribution Branch.

<sup>4</sup>Transportation includes British Columbia Ferry Corporation, British Columbia Railway Company, British Columbia Steamship Company (1975) Ltd., British Columbia Transit and 178561 B.C. Ltd (formerly Pacific Coach Lines Limited).

<sup>5</sup>Finance includes British Columbia Assessment Authority, British Columbia Lottery Corporation, and Hospitals Foundation of British Columbia.

<sup>6</sup>Industry includes British Columbia Enterprise Corporation, B.C. Pavilion Corporation, Pacific National Exhibition, Duke Point Development Limited and W.L.C. Developments Ltd.

<sup>7</sup>Natural Resources includes Creston Valley Wildlife Management Authority Trust Fund, Provincial Capital Commission and British Columbia Petroleum Corporation.

<sup>8</sup>Housing includes British Columbia Housing Management Commission, Provincial Rental Housing Corporation of British Columbia, and British Columbia Housing and Employment Development Financing Authority.

Plain Language Institute of British Columbia Society is not included as its equity is less than \$1 million.



# Financial Statements of Government Organizations and Enterprises

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## Summary of Financial Statements of Government Organizations and Enterprises (Unaudited)

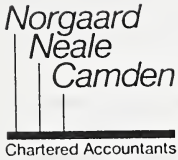
Recorded on the Consolidated Basis	In Thousands					
	Balance Sheet			Operating Statement		
	Assets \$	Liabilities \$	Equity \$	Income \$	Expenditure \$	Net Earnings (losses) \$
B.C. Festival of the Arts Society .....	429	402	27	845	824	21
B.C. Health Care Risk Management Society ....	141	27	114	2,937	2,917	20
B.C. Summer and Winter Games Society.....	200	123	77	3,118	3,488	(370)
British Columbia Buildings Corporation .....	816,296	671,764	144,532	347,238	319,873	27,365
British Columbia Educational Institutions Capital Financing Authority.....	793,862	793,862	0	100,921	100,921	0
British Columbia Hazardous Waste Management Corporation .....	483	361	122	40	955	(915)
British Columbia Health Research Foundation	15,919	11,331	4,588	9,639	8,845	794
British Columbia Heritage Trust .....	4,506	60	4,446	2,405	3,371	(966)
British Columbia Regional Hospital Districts Financing Authority .....	1,103,903	1,103,903	0	161,392	161,392	0
British Columbia School Districts Capital Financing Authority .....	1,462,651	1,462,651	0	190,285	190,285	0
British Columbia Systems Corporation .....	117,511	79,118	38,393	185,664	174,084	11,580
British Columbia Trade Development Corporation .....	7,178	5,891	1,287	13,753	14,118	(365)
British Columbia Year of Music Society .....			0	9	41	(32)
Cloverdale Historic Transportation Society of B.C. ....			0	132	146	(14)
Downtown Revitalization Program Society of British Columbia .....	16,648	143	16,505	1,260	1,940	(680)
First Peoples' Heritage, Language and Culture Council.....	892	892	0	1,530	1,540	(10)
Health Facilities Association of British Columbia.....	118,900	118,900	0	22,522	22,522	0
Okanagan Valley Tree Fruit Authority .....	7,818	875	6,943	2,778	9,150	(6,372)
Science Council of British Columbia .....	17,799	352	17,447	14,408	19,623	(5,215)
The Educational Technology Centre of British Columbia.....	1,846	919	927	2,021	2,380	(359)
	4,486,982	4,251,574	235,408	1,062,897	1,038,415	24,482
<b>Recorded on the Modified Equity Basis</b>						
B.C. Pavilion Corporation .....	163,849	9,479	154,370	13,479	13,479	0
British Columbia Assessment Authority .....	8,748	3,962	4,786	52,676	51,075	1,601
British Columbia Enterprise Corporation .....			0			0
British Columbia Ferry Corporation.....	692,006	550,497	141,509	306,547	322,366	(15,819)
British Columbia Housing and Employment Development Financing Authority.....	1,719	791	928	29	1	28
British Columbia Housing Management Com- mission .....	30,457	21,148	9,309	133,662	133,030	632
British Columbia Hydro and Power Authority..	10,005,000	8,808,000	1,197,000	2,178,000	1,877,000	301,000
British Columbia Liquor Distribution Branch...	73,004	73,004	0	1,376,515	859,389	517,126
British Columbia Lottery Corporation .....	79,153	79,153	0	738,485	505,487	232,998
British Columbia Petroleum Corporation.....	2,990	2,124	866	24,278	22,938	1,340
British Columbia Railway Company .....	1,345,343	319,555	1,025,788	328,389	261,009	67,380
British Columbia Steamship Company (1975) Ltd .....	2,259	119	2,140	259	578	(319)
British Columbia Transit .....	1,824,176	1,619,496	204,680	532,352	530,168	2,184



# **Summary of Financial Statements of Government Organizations and Enterprises—Continued (Unaudited)**

Recorded on the Consolidated Basis—Continued	In Thousands					
	Balance Sheet			Operating Statement		
	Assets \$	Liabilities \$	Equity \$	Income \$	Expenditure \$	Net Earnings (losses) \$
Creston Valley Wildlife Management Authority						
Trust Fund.....	122	39	83	283	320	(37)
Duke Point Development Limited .....	12,304	21,075	(8,771)	517	517	0
Hospitals Foundation of B.C. ....	14		14	1,365	1,357	8
Insurance Corporation of British Columbia.....	3,396,851	3,391,780	5,071	2,019,303	2,083,489	(64,186)
Pacific National Exhibition .....	33,613	2,739	30,874	28,142	28,130	12
Plain Language Institute of British Columbia Society.....	40	40	0	643	838	(195)
Provincial Capital Commission .....	3,982	258	3,724	2,641	2,508	133
Provincial Rental Housing Corporation .....	261,297	87,203	174,094	10,173	8,071	2,102
W.L.C. Developments Ltd.....	22,240	104	22,136	7,125	3,211	3,914
178561 B.C. Ltd. (formerly Pacific Coach Lines Ltd.) .....	9	1	8	0	34	(34)
	<u>17,959,176</u>	<u>14,990,567</u>	<u>2,968,609</u>	<u>7,754,863</u>	<u>6,704,995</u>	<u>1,049,868</u>
	<u>22,446,158</u>	<u>19,242,141</u>	<u>3,204,017</u>	<u>8,817,760</u>	<u>7,743,410</u>	<u>1,074,350</u>

The figures on this schedule are taken from the financial statements of the above listed entities which are contained in this volume. As they do not all have the same fiscal year end, totals do not all apply to the 1992/93 fiscal year. Totals are shown only to give the reader an idea of the size and scope of the organizations on a collective basis.

**B.C. Health Care Risk Management Society**

540-645 Fort Street  
Victoria, B.C.  
V8W 1G2  
Telephone 386-0500  
Fax 386-6151

Henning E. Norgaard, C.A.\*  
Allan W. Neale, B.Sc., M.B.A., C.A.\*  
W.E. (Bill) Camden, B.A., C.A.\*  
R.W. Denson, B.Comm., C.A.

**AUDITORS' REPORT****To the Members of  
B.C. Health Care Risk Management Society**

We have audited the balance sheet of B.C. Health Care Risk Management Society as at March 31, 1993 and the statements of operations and surplus, and changes in financial position for the year then ended. These financial statements are the responsibility of the society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the society as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles. As required by the British Columbia Society Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

**CHARTERED ACCOUNTANTS**

Victoria, B.C.  
June 4, 1993

# B.C. Health Care Risk Management Society


Balance Sheet  
As at March 31, 1993

	1993 \$	1992 \$
<b>ASSETS</b>		
Cash	46,170	82,782
Prepaid Expenditures	14,250	13,000
Accounts Receivable	80,679	2,500,254
	<u>141,099</u>	<u>2,596,036</u>

## LIABILITIES AND SURPLUS

Accounts Payable and Accrued Liabilities	26,643	2,501,900
Surplus	114,456	94,136
	<u>141,099</u>	<u>2,596,036</u>

SIGNED ON BEHALF OF THE BOARD

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# B.C. Health Care Risk Management Society

## Statement of Operations and Surplus For the Year Ended March 31, 1993

	1993 \$	1992 \$
<b>Revenue</b>		
Grants from the Province of British Columbia	2,931,068	2,941,264
Interest	5,943	4,533
	<u>2,937,011</u>	<u>2,945,797</u>
<b>Expenditures</b>		
Audit	2,443	2,302
Conferences	3,443	2,126
Contracted administration and loss control	365,761	394,020
Indemnification costs (note 2)	2,500,000	2,500,000
Insurance costs	13,000	12,610
Office	19,239	9,470
Purchase of capital assets	-	7,567
Travel	12,805	8,679
	<u>2,916,691</u>	<u>2,936,774</u>
<b>Excess of Revenue over Expenditures</b>	20,320	9,023
<b>Surplus - Beginning of Year</b>	<u>94,136</u>	<u>85,113</u>
<b>Surplus - End of Year</b>	<u><u>114,456</u></u>	<u><u>94,136</u></u>

# B.C. Health Care Risk Management Society

## Statement of Changes in Financial Position For the Year Ended March 31, 1993

	1993 \$	1992 \$
<b>Cash from Operations</b>		
Excess of revenue over expenditures	20,320	9,023
Changes in non-cash working capital balances related to operations -		
Prepaid expenditures	(1,250)	(390)
Accounts receivable	2,419,575	(2,499,625)
Accounts payable and accrued liabilities	(2,475,257)	2,472,971
<b>Decrease in Cash</b>	<b>(36,612)</b>	<b>(18,021)</b>
<b>Cash - Beginning of Year</b>	<b>82,782</b>	<b>100,803</b>
<b>Cash - End of Year</b>	<b>46,170</b>	<b>82,782</b>

# B.C. Health Care Risk Management Society

## Notes to Financial Statements

For the Year Ended March 31, 1993

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### 1. Nature of the Association

The B.C. Health Care Risk Management Society was incorporated under the Society Act on October 21, 1986. The purpose of the society is to provide risk management services for hospitals and other health care agencies.

#### Significant Accounting Policy

Capital assets are recorded as expenditures at the time the payment is made or the liability has been incurred.

### 2. Indemnification Costs

The society has arranged with the British Columbia Provincial Government to provide hospitals and other specifically identifiable health care facilities with an indemnification for liability claims against the facility. The cost of \$2,500,000 (1992 - \$2,500,000) protects the society against liability claims where the incident occurred during the fiscal year ended March 31, 1993.

**B.C. Pavilion Corporation****Coopers  
& Lybrand**

chartered accountants

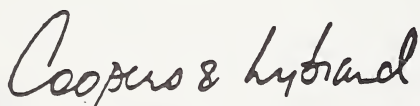
a member firm of  
Coopers & Lybrand (International)**AUDITORS' REPORT****To the Shareholder of B.C. Pavilion Corporation**

We have audited the balance sheet of B.C. Pavilion Corporation as at March 31, 1993 and the statements of revenue and expenses and deficit, changes in financial position and contributed surplus for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles. As required by the British Columbia Company Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

The financial statements as at March 31, 1992 and for the year then ended were audited by other auditors, who expressed an opinion without reservation on those statements in their report dated May 8, 1992.



Vancouver, B.C.  
May 7, 1993



# B.C. Pavilion Corporation

## Balance Sheet

As at March 31, 1993

(Expressed in thousands of dollars)

	1993	1992
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and deposits	\$ 5,822	\$ 10,395
Accounts receivable	2,522	4,006
Supplies Inventory	61	87
Prepaid expenses	509	272
	8,914	14,760
<b>Capital Assets (note 3)</b>	154,935	157,147
	<u>\$ 163,849</u>	<u>\$ 171,907</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 3,844	\$ 4,039
Deposits and deferred revenue	3,484	3,921
Short-term borrowings	-	6,086
	7,328	14,046
<b>Deferred Government Contributions (note 4)</b>	2,151	606
	<u>9,479</u>	<u>14,652</u>
<b>SHAREHOLDER'S EQUITY</b>		
<b>Share Capital (note 5)</b>	1	1
<b>Contributed Surplus</b>	154,369	157,254
	154,370	157,255
	<u>\$ 163,849</u>	<u>\$ 171,907</u>

## Commitments (note 6)

## APPROVED BY THE DIRECTORS

Director

Director



## B.C. Pavilion Corporation

### Statement of Revenue and Expenses and Deficit

For the Year Ended March 31, 1993

(Expressed in thousands of dollars)

	1993	1992
<b>Revenue from Operations</b>	\$ 24,741	\$ 25,854
<b>Direct Event Costs</b>	11,262	12,411
	13,479	13,443
<b>Facility Expenses</b>		
Staffing costs	6,527	6,943
Operating expenses	4,642	4,211
General and administration	2,445	2,868
Business development	1,947	2,522
Fees	444	796
Transportation Museum operations (note 7)	92	757
Depreciation	4,101	3,558
	20,198	21,655
<b>Net Expenses Prior to Recoveries</b>	(6,719)	(8,212)
<b>Recoveries</b>		
Contributions from the Province of British Columbia (note 4)	3,055	7,052
Amortization of contributed surplus to offset depreciation charged on assets contributed by the Province of British Columbia	3,664	3,558
	6,719	10,610
<b>Revenue and Recoveries for the Year in Excess of Expenses</b>	-	2,398
<b>Deficit - Beginning of Year</b>	-	(2,398)
<b>Deficit - End of Year</b>	\$ Nil	\$ Nil

# B.C. Pavilion Corporation

## Statement of Changes in Financial Position

For the Year Ended March 31, 1993

(Expressed in thousands of dollars)

	1993	1992
<b>Cash Provided from (Used for)</b>		
<b>Operating Activities</b>		
Net expenses prior to recoveries	\$ (6,719)	\$ (8,212)
Item not affecting cash -		
Depreciation	4,101	3,558
	(2,618)	(4,654)
Changes in non-cash operating working capital -		
Accounts receivable	1,484	(1,825)
Supplies inventory	26	5
Prepaid expenses	(237)	(78)
Accounts payable and accrued liabilities	(195)	1,364
Deposits and deferred revenue	(437)	1,974
	(1,977)	(3,214)
<b>Financing Activity</b>		
Contributions from the Province of British Columbia	5,379	13,274
<b>Investing Activities</b>		
Proceeds on sale of capital assets	-	465
Capital asset additions	(779)	(5,616)
Assets acquired under sponsorship agreements	(1,110)	(600)
	(1,889)	(5,751)
<b>Increase in Cash</b>	1,513	4,309
<b>Cash - Beginning of Year</b>	4,309	-
<b>Cash - End of Year</b>	\$ 5,822	\$ 4,309
<b>Cash Represented by:</b>		
Cash and deposits	\$ 5,822	\$ 10,395
Short-term borrowings	-	(6,086)
	\$ 5,822	\$ 4,309

## B.C. Pavilion Corporation

### Statement of Contributed Surplus For the Year Ended March 31, 1993 (Expressed in thousands of dollars)

	1993	1992
<b>Balance - Beginning of Year</b>	\$ 157,254	\$ 155,196
Contributions from the Province of British Columbia towards capital asset acquisitions (note 4)	779	5,616
Transferred to statement of revenue and expenses and deficit to offset depreciation charged on assets contributed by the Province of British Columbia	(3,664)	(3,558)
<b>Balance - End of Year</b>	<u>\$ 154,369</u>	<u>\$ 157,254</u>

# B.C. Pavilion Corporation

## Notes to Financial Statements

### For the Year Ended March 31, 1993

(Figures in tables are expressed in thousands of dollars)

#### 1. General

B.C. Pavilion Corporation was incorporated by the Province of British Columbia on May 3, 1984 under the Company Act of British Columbia. The mandate of the Corporation is to manage certain public facilities in the province. Accordingly, the Corporation owns and operates B.C. Place Stadium, Bridge Studios and Tradex, and operates the Vancouver Trade and Convention Centre and Robson Square Conference Centre under separate agreements.

#### 2. Summary of Significant Accounting Policies

The accompanying financial statements are prepared in accordance with generally accepted accounting principles that are considered appropriate for B.C. Pavilion Corporation. Specific accounting policies are:

##### (a) Capital Assets

Capital assets have been recorded as follows:

- i. capital assets funded through contributions by the Province of British Columbia, either to the Corporation or predecessor corporations, at cost. The related contribution is initially recorded as a credit to contributed surplus
- ii. capital assets specifically funded by the federal government at cost net of the related contributions
- iii. capital assets contributed by other parties at the fair market value of the assets received. The related contribution is initially recorded as a credit to deferred revenue.

All assets are depreciated over their estimated useful lives to the Corporation. Depreciation is provided on the following bases:

Asset classification	Depreciation term
Buildings and improvements	10 to 50 years. Buildings are depreciated on a sinking fund basis; improvements on a straight-line basis
Furniture	5 years straight-line
Computers	3 years straight-line
Leasehold improvements	over the shorter of the estimated useful life of the improvement, or the term of the lease
Other capital assets	1 to 10 years on a straight-line basis, except motor vehicles, which are at 30% of the declining balance

# B.C. Pavilion Corporation

## Notes to Financial Statements

For the Year Ended March 31, 1993

(Figures in tables are expressed in thousands of dollars)

### 2. Summary of Significant Accounting Policies (continued)

#### (b) Deferred Government Contributions

Government funding from the Province of British Columbia is initially deferred in the accounts of the Corporation. Funding towards operations is recognized as a recovery in the statement of revenue and expenses and deficit to the extent that the funds are utilized or required. Funding towards capital asset acquisitions is allocated to contributed surplus at the time the related asset is acquired.

#### (c) Amortization of Contributed Surplus

Contributed surplus is amortized and reflected as a recovery in the statement of revenue and expenses and deficit in an amount equal to that required to offset depreciation charged on assets contributed by the Province of British Columbia.

#### (d) New Business Development

Start-up costs relating to new business development are expensed in the year incurred unless recovery of these costs is reasonably assured. Any related revenues are only recognized as earned.

#### (e) Operating Revenues and Expenses

Operating revenues and expenses are recorded on an accrual basis.

#### (f) Contra Transactions

Deferred revenue resulting from contra transactions, such as the exchange of goods for advertising, is amortized over the term of the related agreement.

### 3. Capital Assets

	1993		1992	
	Cost	Accumulated depreciation	Net	Net
Facilities -				
B.C. Place Stadium	\$ 174,980	\$ 31,085	\$ 143,895	\$ 145,417
Bridge Studios	6,680	1,275	5,405	5,571
Tradex	4,661	474	4,187	4,441
Vancouver Trade and Convention Centre	2,033	1,172	861	1,270
Other	1,592	1,005	587	448
	<u>\$ 189,946</u>	<u>\$ 35,011</u>	<u>\$ 154,935</u>	<u>\$ 157,147</u>

# B.C. Pavilion Corporation

## Notes to Financial Statements

For the Year Ended March 31, 1993

(Figures in tables are expressed in thousands of dollars)

### 4. Deferred Government Contributions

	1993	1992
Balance - beginning of year	\$ 606	\$ -
Contribution for the year from the Province of British Columbia	5,379	13,274
	5,985	13,274
Allocated as follows:		
Transferred to operations -		
For current year's funding	3,055	4,654
To cover prior years' deficit	-	2,398
	3,055	7,052
Contributed surplus for capital asset acquisitions	779	5,616
	3,834	12,668
Balance - end of year	\$ 2,151	\$ 606

### 5. Share Capital

	1993	1992
Authorized -		
10,000 common shares with no par value		
Issued -		
1 share, held by her Majesty the Queen in right of the Province of British Columbia	\$ 1	\$ 1



# B.C. Pavilion Corporation

## Notes to Financial Statements

For the Year Ended March 31, 1993

(Figures in tables are expressed in thousands of dollars)

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### 6. Commitments

- (a) Minimum obligations under long-term operating leases are as follows:

1994	\$ 187
1995	198
1996	154

- (b) The Corporation has committed to purchase artificial turf for installation at the B.C. Place Stadium, at a cost of \$2.4 million. Under the terms of the contract, 50% is due and payable in fiscal 1994, and the balance is payable in fiscal 1995.
- (c) Pursuant to its operating agreement for Robson Square Conference Centre, the Corporation has committed to reimburse the landlord, British Columbia Building Corporation, \$207,000 for leasehold improvements.

### 7. B.C. Transportation Museum Management Contract

On November 1, 1989, the Corporation entered into an agreement with the Historic Transportation Society of B.C. to manage, operate and assist in financing the B.C. Transportation Museum. For the year ended March 31, 1993, the Corporation loaned \$92,000 (1992 - \$757,000) to the Society and has forgiven such loans.

The Museum ceased operations in June 1992, and costs incurred after that date have been the responsibility of the Royal British Columbia Museum, the owner of the vehicle collection.

### 8. Related Party Transactions

In the normal course of operations, the Corporation acquires from and sells to the Province of British Columbia and certain Crown Corporations goods and services, predominantly under prevailing trade terms.



**B.C. Summer and Winter Games Society**

Chartered Accountants

Suite 620  
880 Douglas Street  
Victoria, B.C. V8W2B7(604) 383 4191  
Fax (604) 381 4623*Price Waterhouse*

June 18, 1993

**Auditors' Report**To the Directors of the  
B.C. Summer and Winter Games Society

We have audited the balance sheet of the B.C. Summer and Winter Games Society as at March 31, 1993 and the statements of revenue and expenditures and surplus and changes in financial position for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in the notes to the financial statements. As required by the Society Act of the Province of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding period.

The comparative figures are based upon financial statements which were reported on by other auditors.

*Price Waterhouse*

Chartered Accountants

**B.C. Summer and Winter Games Society****Balance Sheet**

	<b>March 31</b>	
	<b>1993</b>	<b>1992</b>
<b>Assets</b>		
Current assets		
Cash	\$ 115,029	\$ 826,699
Accounts receivable	70,543	157,417
Prepaid insurance	13,934	9,591
	<u>199,506</u>	<u>993,707</u>
Capital assets (Note 3)	<u>-</u>	<u>-</u>
	<u><b>\$ 199,506</b></u>	<u><b>\$ 993,707</b></u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 52,714	\$ 476,679
Legacy grants		
Coquitlam 1991 Summer Games Society	-	70,000
Port Alberni 1992 Summer Games Society	70,000	-
	<u>122,714</u>	<u>546,679</u>
<b>Surplus</b>		
Surplus	<u>76,792</u>	<u>447,028</u>
	<u><b>\$ 199,506</b></u>	<u><b>\$ 993,707</b></u>

Approved by the Board



Director



Director

## B.C. Summer and Winter Games Society

### Statement of Revenue and Expenditures and Surplus

	Year ended March 31	
	1993	1992
Revenue		
Grants - Province of British Columbia	\$ 2,700,000	\$ 3,000,000
Corporate sponsors (Schedule 4)	244,000	211,300
Interest earned	103,370	127,919
	<u>3,047,370</u>	<u>3,339,219</u>
Expenditures		
Salaries and employee benefits (Schedule 1)	291,000	273,968
Travel and accommodation (Schedule 1)	86,186	116,909
Professional services (Schedule 1)	151,463	135,783
Computer maintenance (Schedule 2)	40,876	28,719
Office and business expenses (Schedule 2)	138,838	91,369
Advertising and publications (Schedule 2)	80,122	93,124
Insurance, leases, utilities (Schedule 2)	87,459	90,116
Games operating costs (Schedule 3)	1,082,905	742,381
Data and word processor acquisition	-	13,413
Machinery and equipment (Schedule 3)	3,022	4,909
Operating grants (Schedule 3)	1,386,287	1,570,000
Legacy grants (Schedule 3)	140,000	140,000
	<u>3,488,158</u>	<u>3,300,691</u>
Excess (deficiency) of revenue over expenditures for year	(440,788)	38,528
Surplus from host societies (Note 4)	70,552	92,772
Surplus, beginning of year	447,028	315,728
Surplus, end of year	<u>\$ 76,792</u>	<u>\$ 447,028</u>

## B.C. Summer and Winter Games Society

### Statement of Changes in Financial Position

	Year ended March 31	
	1993	1992
Cash provided by (used in) operating activities		
Excess (deficiency) of revenue over expenditures	\$ (440,788)	\$ 38,528
Items not affecting cash		
Amortization	1,079	14,101
	<u>(439,709)</u>	<u>52,629</u>
Changes in non-cash operating items		
Accounts receivable	86,874	(14,580)
Prepaid insurance	(4,343)	(205)
Accounts payable and accrued liabilities	(423,965)	107,013
	<u>(781,143)</u>	<u>144,857</u>
Cash provided by (used in) investing activities		
Surplus from host societies	70,552	92,772
Purchase of equipment	(1,079)	(14,101)
	<u>69,473</u>	<u>78,671</u>
Increase (decrease) in cash during year	(711,670)	223,528
Cash, beginning of year	826,699	603,171
Cash, end of year	<u>\$ 115,029</u>	<u>\$ 826,699</u>

## B.C. Summer and Winter Games Society

### Notes to Financial Statements

March 31, 1993

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#### 1. Operations

The Society was incorporated on June 26, 1987 for the purposes of managing, operating and promoting the B.C. Summer and Winter Games and for fostering interest and participation in sports and sporting activity in British Columbia.

The British Columbia Summer and Winter Games are planned and operated by societies incorporated in the host community for each event. These financial statements do not reflect the revenues and expenditures of the local societies.

#### 2. Significant accounting policies

##### a) Equipment and leasehold improvements

Equipment and leasehold improvements are recorded at cost, and are fully amortized in the year of acquisition.

##### b) Revenue recognition

Revenue from Provincial Grants has been recorded on the accrual basis. Revenue from corporate sponsor agreements is recorded on a cash basis. Donated or discounted goods and services are recorded at the amount of cash consideration.

##### c) Provincial contributions

The financial statements do not reflect certain administrative expenses incurred and paid directly by the Province of British Columbia, in the delivery of the games.

##### d) Legacy grants

Legacy payments are made to host societies for distribution to local sports and recreation groups upon satisfactory completion of an application and approval process within twelve months of completion of the games. The Society recognizes the legacy grant liability upon substantial completion of the application and approval process and other matters relating to the finalization of the Host Society accounts.

#### 3. Capital assets

	1993	1992
Equipment and supplies	\$ 341,855	\$ 340,776
Trademark	763	763
Leasehold improvements	17,172	17,172
	<hr/>	<hr/>
	359,790	358,711
Less: Accumulated amortization	(359,790)	(358,711)
	<hr/>	<hr/>
	\$ -	\$ -
	<hr/>	<hr/>
Equipment additions during year consist of:		
2 typewriters	\$ 1,079	
	<hr/>	

## B.C. Summer and Winter Games Society

### Notes to Financial Statements

March 31, 1993

Page 2

#### 4. Surplus from Host Societies

Surplus from the host societies is comprised of Vernon 1992 Winter Games Society - \$39,873 and Port Alberni 1992 Summer Games Society - \$30,679. Receipt of surplus from summer and winter games host societies is recorded at the earlier of cash receipt and final determination of the amount of the surplus.

#### 5. Contractual commitments

The Society leases premises for \$46,615 per annum, under a lease expiring on November 30, 1993. The Society is also leasing office equipment for \$7,772 per annum, under leases expiring in 1996. The Society has a contractual commitment to the Executive Director which extends to March, 1994, and a commitment to make a legacy grant of \$70,000 to the Kitimat 1993 Winter Games Society.

Maximum annual commitments in each of the next three fiscal years are as follows:

1994	\$ 108,849
1995	7,772
1996	3,245
	<hr/>
	\$ 119,866

# B.C. Summer and Winter Games Society

## Schedule of Salaries and Employee Benefits Travel and Accommodation Professional Services

Schedule 1

	Year ended March 31	
	1993	1992
Salaries and employee benefits		
Base salaries	\$ 231,005	\$ 220,941
Casual employees	7,288	6,556
Overtime	13,300	8,750
Canada Pension	3,949	3,894
Unemployment insurance	8,992	7,852
Medical Services Plan	3,548	3,520
Group insurance	11,485	10,230
Pension plan	11,225	11,900
Health development	208	325
	<u>\$ 291,000</u>	<u>\$ 273,968</u>
Travel and accommodation		
Travel and accommodation	\$ 66,830	\$ 92,320
Per diem	16,058	21,294
Mileage and parking	3,298	3,295
	<u>\$ 86,186</u>	<u>\$ 116,909</u>
Professional services		
Executive director	\$ 88,187	\$ 86,400
External accountants	9,444	12,362
Economic impact study	3,990	17,999
Sports medicine council	2,140	2,000
Independent audits	18,565	11,157
Special games projects	1,428	5,865
Event managements	27,709	-
	<u>\$ 151,463</u>	<u>\$ 135,783</u>



## B.C. Summer and Winter Games Society

### Schedule of Computer Maintenance

#### Office and Business Expenses

#### Advertising and Publications

#### Insurance, Leases, Utilities

Schedule 2

	Year ended March 31	
	1993	1992
Computer maintenance		
Maintenance	\$ 3,000	\$ -
Program enhancements	37,876	28,719
	<u>\$ 40,876</u>	<u>\$ 28,719</u>
Office and business expenses		
Office supplies	\$ 17,366	\$ 9,215
Postage	14,000	16,243
Office expenses	15,268	17,107
Board administration	5,096	-
Advisory committee meetings	257	3,635
Staff training	2,412	2,386
Business expenses	34,086	10,918
G.S.T. expense portion	50,353	31,865
	<u>\$ 138,838</u>	<u>\$ 91,369</u>
Advertising and publications		
Television advertising	\$ 50,000	\$ 50,000
Highway sign installation	1,060	3,398
Provincial advertising	255	6,840
Corporate sponsor - souvenir program	19,393	19,955
Printing rule books	9,414	12,931
	<u>\$ 80,122</u>	<u>\$ 93,124</u>
Insurance, leases, utilities		
Games truck insurance	\$ 600	\$ 450
Office and liability insurance	13,128	11,493
Rent, utilities, property tax	46,887	47,703
Telephone	15,432	17,715
Equipment lease	11,412	12,806
Maintenance	-	(51)
	<u>\$ 87,459</u>	<u>\$ 90,116</u>

## B.C. Summer and Winter Games Society

### Schedule of Games Operating Costs

#### Machinery and Equipment

#### Operating Grants

#### Legacy Grants

Schedule 3

	Year ended March 31	
	1993	1992
Games operating costs		
External transportation - Summer	\$ 487,270	\$ 356,885
External transportation - Winter	546,468	333,587
Premier's Certificates	8,138	3,594
Games general supplies	40,621	48,315
Games costs	316	-
Moving	92	-
	<u>\$ 1,082,905</u>	<u>\$ 742,381</u>
Machinery and equipment		
Office equipment	\$ 1,079	\$ 2,067
Permanent games signs	-	975
Storage trailer	1,750	152
Flags and signs	193	1,715
	<u>\$ 3,022</u>	<u>\$ 4,909</u>
Operating grants		
Coquitlam 1991 Summer Games Society	\$ -	\$ 765,000
Vernon 1992 Winter Games Society	-	610,000
Port Alberni 1992 Summer Games Society	710,000	130,000
Kitimat 1993 Winter Games Society	496,287	55,000
Chilliwack 1993 Summer Games Society	155,000	10,000
Smithers 1994 Winter Games Society	25,000	-
	<u>\$ 1,386,287</u>	<u>\$ 1,570,000</u>
Legacy costs		
Duncan/North Cowichan 1991 Winter Games Society	\$ -	\$ 70,000
Coquitlam 1991 Summer Games Society	-	70,000
Vernon 1992 Winter Games Society	70,000	-
Port Alberni 1992 Summer Games	70,000	-
	<u>\$ 140,000</u>	<u>\$ 140,000</u>

**B.C. Summer and Winter Games Society**

**Schedule of Corporate Sponsors**

Schedule 4

	Year ended March 31	
	1993	1992
Coca Cola	\$ 50,000	\$ 50,000
B.C. Telephone	100,000	68,300
Overwaitea	50,000	50,000
B.C. Gas	14,000	14,000
Williams Moving & Storage	-	1,500
Air B.C.	6,000	12,000
B.C. Credit Unions	40,000	40,000
	<hr/>	<hr/>
	260,000	235,800
Cash to Host Community	(16,000)	(24,500)
	<hr/>	<hr/>
	\$ 244,000	\$ 211,300
	<hr/>	<hr/>

**British Columbia Assessment Authority****Auditor General of British Columbia**

8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

**AUDITOR'S REPORT**

(604) 387-6803  
Fax (604) 387-1230

*To the Board of Directors of the  
British Columbia Assessment Authority, and*

*To the Minister of Municipal Affairs, Recreation and Housing,  
Province of British Columbia:*

I have audited the balance sheet of the British Columbia Assessment Authority as at December 31, 1992 and the statements of revenue, expenditure and equity and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 1992 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

George L. Morfitt, FCA  
Auditor General

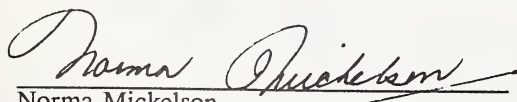
*Victoria, British Columbia  
March 26, 1993*

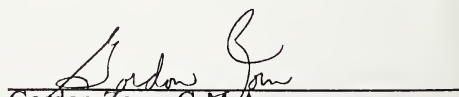
**BRITISH COLUMBIA ASSESSMENT AUTHORITY  
BALANCE SHEET  
AS AT DECEMBER 31, 1992**

ASSETS	<u>1992</u>	<u>1991</u>
Current Assets		
Cash and temporary investments	\$ 5,542,052	\$ 3,740,420
Accounts receivable	312,596	326,968
Prepaid expenses	<u>210,089</u>	<u>226,721</u>
	6,064,737	4,294,109
Capital Assets [Note 3]		
Land, building, equipment and vehicles	9,016,530	9,235,875
Less accumulated amortization	<u>6,333,626</u>	<u>5,807,770</u>
	2,682,904	3,428,105
	<u>\$ 8,747,641</u>	<u>\$ 7,722,214</u>
 <b>LIABILITIES AND EQUITY</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 3,462,668	\$ 4,024,665
Current portion of long-term liabilities	<u>4,483</u>	<u>28,421</u>
	3,467,151	4,053,086
Long-term Liabilities		
Employees' past benefits [Note 4]	499,060	513,031
Less current portion	<u>4,483</u>	<u>28,421</u>
	494,577	484,610
	3,961,728	4,537,696
Equity		
In capital assets	2,682,904	3,428,105
From operations	<u>2,103,009</u>	[ <u>243,587</u> ]
	4,785,913	3,184,518
	<u>\$ 8,747,641</u>	<u>\$ 7,722,214</u>

The accompanying ten notes are an integral part of these financial statements.

Approved by the Authority

  
Norma Mickelson  
Board Chair

  
Gordon Zorn, C.M.A.  
Director of Finance

**BRITISH COLUMBIA ASSESSMENT AUTHORITY  
STATEMENT OF REVENUE, EXPENDITURE AND EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 1992**

	<u>1992</u>	<u>1991</u>
<b>REVENUE</b>		
Province of British Columbia grant [Note 5] \$	-	\$ 5,190,750
Tax levies [Note 6]	51,304,320	41,869,537
Interest	350,761	540,638
Other	<u>1,020,989</u>	<u>780,015</u>
	<u>52,676,070</u>	<u>48,380,940</u>
<b>EXPENDITURE</b>		
Salaries and benefits	36,413,755	34,832,542
Directors' fees and expenses	104,012	131,329
Office accommodation	3,560,164	3,182,193
Travel	1,999,984	1,973,907
Office	2,651,902	2,076,912
Interest [Notes 7 and 10]	410,208	460,201
Professional and special services	4,670,624	5,112,839
Amortization	<u>1,264,026</u>	<u>1,276,682</u>
	<u>51,074,675</u>	<u>49,046,605</u>
<b>EXCESS [DEFICIENCY] OF REVENUE OVER EXPENDITURE FOR THE YEAR</b>	1,601,395	[ 665,665 ]
<b>EQUITY - BEGINNING OF YEAR</b>	<u>3,184,518</u>	<u>3,850,183</u>
<b>EQUITY - END OF YEAR</b> \$	<u><u>4,785,913</u></u>	<u><u>3,184,518</u></u>

**BRITISH COLUMBIA ASSESSMENT AUTHORITY  
STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 1992**

	<u>1992</u>	<u>1991</u>
<b>OPERATING ACTIVITIES</b>		
Excess [deficiency] of revenue over expenditure for the year	\$ 1,601,395	\$ [ 665,665 ]
Items not affecting funds:		
Amortization	1,264,026	1,276,682
Gain on disposal of capital assets	[ 34,492 ]	[ 45,466 ]
[Decrease] increase in employees' past benefits	[ 13,971 ]	3,986
[Decrease] increase in non-cash working capital	[ <u>530,993</u> ]	<u>1,270,640</u>
Funds provided by operations	<u>2,285,965</u>	<u>1,840,177</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of capital assets	[ 517,413 ]	[ 1,968,980 ]
Proceeds on disposal of capital assets	<u>33,080</u>	<u>47,690</u>
Funds used for investing activities	[ <u>484,333</u> ]	[ <u>1,921,290</u> ]
<b>INCREASE [DECREASE] IN FUNDS</b>	1,801,632	[ 81,113 ]
<b>FUNDS - BEGINNING OF YEAR</b>	<u>3,740,420</u>	<u>3,821,533</u>
<b>FUNDS - END OF YEAR</b>	\$ <u><u>5,542,052</u></u>	\$ <u><u>3,740,420</u></u>

Funds consist of cash and temporary investments.



**BRITISH COLUMBIA ASSESSMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

**1. THE AUTHORITY**

The purpose of the Authority, as set out in the Assessment Authority Act, is to establish and maintain assessments that are uniform in the whole of the province in accordance with the Assessment Act.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with generally accepted accounting principles. Significant accounting policies followed in the preparation of these financial statements are:

**(a) Capital Assets**

Capital assets are stated at cost. Amortization is provided on a straight line basis using the following annual rates:

Building	5%
Furniture and equipment	20%
Motor vehicles	20%

**(b) Revenue**

Revenues are recorded on an accrual basis. Tax levy revenue is recognized when taxes are collected by the municipality or the Minister of Finance and Corporate Relations, at which time they become due to the Authority. The basis of recognition of tax levy revenue is also consistent with the provisions of Section 16(3) of the Assessment Authority Act.

**(c) Temporary Investments**

Temporary investments are recorded at the lower of cost and market value.

**British Columbia Assessment Authority**  
**Notes to Financial Statements**

**3. CAPITAL ASSETS**

	1992			1991
	Cost	Accumulated Amortization	Net	Net
Land	\$ 178,000	\$ -	\$ 178,000	\$ 178,000
Building	223,249	192,167	31,082	42,242
Furniture & equipment	7,516,790	5,449,937	2,066,853	2,697,722
Motor vehicles	<u>1,098,491</u>	<u>691,522</u>	<u>406,969</u>	<u>510,141</u>
<b>TOTALS</b>	<b>\$ 9,016,530</b>	<b>\$ 6,333,626</b>	<b>\$ 2,682,904</b>	<b>\$ 3,428,105</b>

**4. EMPLOYEES' PAST BENEFITS**

At the time of the formation of the British Columbia Assessment Authority, the Authority negotiated an agreement with those designated employees whose previous working agreements contained clauses which called for payment of certain benefits upon death, retirement or termination of employment. The benefits under the agreement are recognized as a long-term liability, with an amount equal to payments due within the immediate twelve months following the statement date segregated and recognized as a current liability. Adjustments to the liability resulting from changes in salary rates are charged to the current year. Payments of benefits are treated as a reduction of the liability.

**5. PROVINCE OF BRITISH COLUMBIA GRANT**

The Authority, as indicated in Section 15(4) of the Assessment Authority Act, may receive an annual operating grant as appropriated by the Legislature.

The Authority's 1992 tax levy rates (Note 6) were set taking into account that in 1992 no operating grant would be paid.

# British Columbia Assessment Authority

## Notes to Financial Statements

### 6. TAX LEVIES

The Authority, by by-law and subject to the prior approval of the Lieutenant Governor in Council, each year imposes and levies a tax upon all taxable property in the province, except on the property of the British Columbia Hydro and Power Authority. A copy of this by-law is forwarded to the Tax Collector of every municipality in the province and to the Surveyor of Taxes in order that the taxes so levied will be placed on the tax rolls. The proceeds of the taxes so levied and collected by the municipalities or the Minister of Finance and Corporate Relations constitute the Authority's tax levies revenue.

Under Section 15(4) of the Assessment Authority Act, the Authority's annual tax levies are to be "at rates sufficient to maintain the operating fund". The operating fund is defined under Section 15(3) as "the total amount required to meet the annual operating and capital expenses of the Authority". Section 15(4) further specifies that in determining the rate of taxation to be levied "the Authority shall take into account the amount of the annual operating grant".

Based on the foregoing, there was levied on all taxable property in the province, except on the property of the British Columbia Hydro and Power Authority, a tax on each class of property at a rate as set out below:

Class of Property Prescribed Under Section 26 of the Assessment Act	Rate of Tax Applied Against Each \$1,000 of Net Taxable Value of Property	
	1992	1991
1 - Residential	.1806	.1510
2 - Utilities	.6321	.5285
3 - Unmanaged Forest Land	.7224	.6040
4 - Major Industry	.6140	.5134
5 - Light Industry	.6140	.5134
6 - Business and Other	.4425	.3700
7 - Managed Forest Land	.5418	.4530
8 - Recreational Property/Non-profit Organization	.1806	.1510
9 - Farm	.1806	.1510

**British Columbia Assessment Authority  
Notes to Financial Statements****7. FINANCING**

Under Section 16(4) of the Assessment Authority Act, the Authority may, "pending receipt of the proceeds of the taxes, borrow an amount not exceeding the proceeds of the taxes... and the loan shall be repaid from the proceeds of the taxes."

The maximum borrowings by the Authority outstanding at any time in 1992 were \$23,523,700 [1991: \$19,825,600].

**8. LEASE COMMITMENTS**

The Authority is committed to make the following payments on the premises under operating leases for periods of more than one year:

1993	\$ 2,835,765
1994	2,698,965
1995	2,321,728
1996	2,024,239
1997 - 2002	<u>6,507,578</u>
<b>TOTAL</b>	<b>\$16,388,275</b>

**9. PENSION LIABILITY**

The Authority and its employees make contributions to the Public Service Superannuation Fund in accordance with the Pension (Public Service) Act. The Superannuation Commission of the Province of British Columbia administers the fund, including the payment of pension benefits, on behalf of employers and employees to whom the Act applies.

**British Columbia Assessment Authority  
Notes to Financial Statements**

**10. RELATED PARTY TRANSACTIONS**

In the normal course of operations, the Authority entered into transactions with the province and certain Crown corporations, predominantly at prevailing market prices and credit terms.

The Ministry of Finance and Corporate Relations acts as fiscal agent of the Authority. Through this agreement, the Authority received interest revenue of \$310,200 [1991: \$492,000] on temporary investments, and paid interest charges of \$392,500 [1991: \$437,000].

Included in expenses are office accommodation payments of \$2,753,000 [1991: \$2,928,000] to British Columbia Buildings Corporation, and computing services payments of \$3,242,700 [1991: \$2,229,000] to British Columbia Systems Corporation.

Balances at the end of the year with related parties were:

	<u>1992</u>	<u>1991</u>
Temporary Investments	\$6,096,800	\$3,960,300
Accounts receivable	76,700	13,600
Accounts payable	196,200	619,825

**British Columbia Buildings Corporation**

ARTHUR ANDERSEN &amp; CO.

**AUDITORS' REPORT**

*To the Lieutenant-Governor-in-Council  
Province of British Columbia*

We have audited the balance sheets of British Columbia Buildings Corporation as at March 31, 1993 and 1992 and the statements of income, retained earnings and changes in financial position for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 1993 and 1992 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

A handwritten signature in dark ink, appearing to read "Arthur Andersen & Co.", is written in a cursive, flowing style.

Chartered Accountants  
Vancouver, Canada  
May 7, 1993



## MANAGEMENT'S REPORT

The financial statements of British Columbia Buildings Corporation have been prepared by management in accordance with generally accepted accounting principles consistently applied and appropriate in the circumstances. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in the notes to financial statements. The external auditors appointed by the Lieutenant-Governor-in-Council have examined the financial statements which have also been reviewed by the Audit Committee and approved by the Board. Financial information presented elsewhere in this Annual Report is consistent with that in the financial statements.

The Audit Committee, comprised of non-management members of the Board of Directors, meets periodically with internal auditors, the external auditors, and management, to ensure that each group is fulfilling its obligations.

Management depends upon a system of internal accounting controls that provide reasonable assurance, on a cost effective basis, that the financial information is reliable and accurate. This system is maintained through the performance of a comprehensive internal audit program.



Dennis Truss  
President and  
Chief Executive Officer



Brian Kennedy  
Vice-President and  
Chief Financial Officer



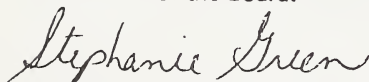
## BRITISH COLUMBIA BUILDINGS CORPORATION

## BALANCE SHEETS

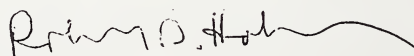
\$ thousands

	March 31	
	1993	1992
<b>ASSETS</b>		
Real estate investments		
Income-producing properties (note 2)	701,168	670,934
Income-producing properties under construction (note 3)	58,306	31,782
Land held for development (note 4)	<u>23,157</u>	<u>14,069</u>
	782,631	716,785
Corporate properties and equipment (note 5)	6,575	6,517
Unamortized debt discount and issue expenses	8,041	9,470
Other assets (note 6)	<u>19,049</u>	<u>22,803</u>
	<u>816,296</u>	<u>755,575</u>
<b>LIABILITIES</b>		
Long-term debt (note 7)	450,087	477,685
Short-term debt (note 8)	134,270	65,201
Other liabilities (note 9)	87,407	78,909
<b>EQUITY</b>		
Contributions by the Province of British Columbia	55,469	55,469
Retained earnings	<u>89,063</u>	<u>78,311</u>
	<u>816,296</u>	<u>755,575</u>
Commitments (note 10)		

On Behalf of the Board:



Stephanie Green, Director



Robert Hobson, Director

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The accompanying notes are an integral part of these statements.

## BRITISH COLUMBIA BUILDINGS CORPORATION

## STATEMENTS OF INCOME

\$ thousands

	Year Ended March 31	
	1993	1992
<b>REVENUE (note 12)</b>		
Rentals	307,201	289,121
Other income	<u>40,037</u>	<u>43,403</u>
	<u>347,238</u>	<u>332,524</u>
<b>EXPENSES</b>		
Property management	101,817	100,910
Leases	91,147	83,189
Amortization	37,601	36,496
Energy	14,419	13,707
Property taxes and grants	13,709	11,634
General and administrative	<u>13,674</u>	<u>14,494</u>
	<u>272,367</u>	<u>260,430</u>
<b>INCOME BEFORE INTEREST</b>	74,871	72,094
Interest (note 11)	<u>47,506</u>	<u>52,152</u>
<b>NET INCOME</b>	<u>27,365</u>	<u>19,942</u>

## STATEMENTS OF RETAINED EARNINGS

\$ thousands

	Year Ended March 31	
	1993	1992
Balance, beginning of year	78,311	70,377
Net income	<u>27,365</u>	<u>19,942</u>
	105,676	90,319
Dividend	<u>16,613</u>	<u>12,008</u>
Balance, end of year	<u>89,063</u>	<u>78,311</u>

The accompanying notes are an integral part of these statements.

## BRITISH COLUMBIA BUILDINGS CORPORATION

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

\$ thousands

	Year Ended March 31	
	1993	1992
<b>OPERATING ACTIVITIES</b>		
Net income	27,365	19,942
Non-cash items		
Amortization	40,857	40,152
Gains on disposal of properties	(1,983)	(1,099)
Other assets and liabilities, net change	<u>5,290</u>	<u>6,077</u>
	<u>71,529</u>	<u>65,072</u>
<b>FINANCING ACTIVITIES</b>		
Long-term debt issued	60,000	125,000
Long-term debt repayments	(85,071)	(41,483)
Increase in sinking funds	(2,527)	(20,558)
Decrease in notes payable to the Province	-	(1,876)
Increase (Decrease) in short-term debt	<u>69,069</u>	<u>(39,335)</u>
	<u>41,471</u>	<u>21,748</u>
<b>INVESTING ACTIVITIES</b>		
Real estate investments	(105,408)	(62,563)
Sale proceeds from disposal of properties	7,047	5,581
Corporate properties and equipment	<u>(3,161)</u>	<u>(3,004)</u>
	<u>(101,522)</u>	<u>(59,986)</u>
<b>DIVIDENDS</b>		
Prior year dividends paid	<u>(12,008)</u>	<u>(21,900)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	<u>(530)</u>	<u>4,934</u>

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The accompanying notes are an integral part of these statements.

## BRITISH COLUMBIA BUILDINGS CORPORATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 1993 (\$ thousands)

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**1. Accounting Policies**

The Corporation is incorporated under the British Columbia Buildings Corporation Act as a Crown corporation of the Province of British Columbia, and is an agent of the Crown.

**(a) Real Estate Investments and Corporate Properties and Equipment**

Real estate investments and corporate properties and equipment are recorded at cost less accumulated amortization. In addition to land and direct costs, amounts capitalized to real estate investments during development and construction include property taxes and the applicable portion of both interest on general borrowings and general and administrative expenses.

**(b) Amortization**

Real estate investments and corporate properties and equipment are amortized on an individual basis by the straight-line method over their estimated useful lives or lease terms. Amortization is prorated by month in the year of acquisition or disposal.

The estimated useful lives or lease terms of income-producing and corporate properties are between five and forty years. The estimated useful lives of all other assets are between three and ten years.

**(c) Income Taxes**

The Corporation is exempt from federal and provincial income taxes.

**(d) Sinking Funds**

Payments made to sinking funds with respect to retirement provisions of sinking fund bonds and debentures, together with accumulated sinking fund earnings, are netted against the related debt. The related sinking funds will be applied against the bonds or debentures when they are redeemed and cancelled. Sinking fund earnings are recognized as interest is earned and gains are realized.

**(e) Amortization of Debt Discount and Issue Expenses**

Debt discount is amortized by the effective rate of interest method and issue expenses are amortized on a straight-line basis, both over the terms of the applicable debt.

**(f) Rentals Received in Advance**

Rentals received in advance are amortized using the effective rate of interest method over the period to which they relate.

## BRITISH COLUMBIA BUILDINGS CORPORATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 1993 (\$ thousands)

2.	<u>Income-Producing Properties</u>	<u>1993</u>	<u>1992</u>
	Net book value:		
	Cost	1,010,858	958,564
	Accumulated amortization	<u>(309,690)</u>	<u>(287,630)</u>
		<u>701,168</u>	<u>670,934</u>
	Activity:		
	Net book value, beginning of the year	670,934	597,555
	Properties transferred from income-producing properties under construction	70,612	107,306
	Acquisitions (Disposals), net	(5,880)	(435)
	Amortization expense	<u>(34,498)</u>	<u>(33,492)</u>
	Net book value, end of year	<u>701,168</u>	<u>670,934</u>
3.	<u>Income-Producing Properties Under Construction</u>		
	Balance, beginning of year	31,782	83,864
	Direct development and construction costs	88,206	49,387
	Capitalization of:		
	Interest	3,394	1,742
	General and administrative expenses	5,536	4,095
	Cost of properties completed and transferred to income-producing properties	<u>(70,612)</u>	<u>(107,306)</u>
	Balance, end of year	<u>58,306</u>	<u>31,782</u>
4.	<u>Land Held For Development</u>		
	Balance, beginning of year	14,069	10,779
	Capitalization of interest and property tax	1,440	535
	Acquisitions, net	<u>7,648</u>	<u>2,755</u>
	Balance, end of year	<u>23,157</u>	<u>14,069</u>

## BRITISH COLUMBIA BUILDINGS CORPORATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 1993 (\$ thousands)

5. <u>Corporate Properties and Equipment</u>	<u>1993</u>	<u>1992</u>
<b>Cost:</b>		
Office and data processing equipment	15,834	14,945
Corporate properties and leasehold improvements	5,520	4,413
Maintenance equipment	3,045	2,950
Vehicles	<u>4,775</u>	<u>4,489</u>
	29,174	26,797
<b>Accumulated amortization</b>	<u>(22,599)</u>	<u>(20,280)</u>
	<u><u>6,575</u></u>	<u><u>6,517</u></u>
 6. <u>Other Assets</u>		
Accounts receivable		
Province of British Columbia	15,960	18,545
Other	2,762	3,974
Prepaid expenses	<u>327</u>	<u>284</u>
	<u><u>19,049</u></u>	<u><u>22,803</u></u>

## BRITISH COLUMBIA BUILDINGS CORPORATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 1993 (\$ thousands)

7. <u>Long-Term Debt</u>	<u>1993</u>	<u>1992</u>
Principal outstanding:		
36 series at an average effective interest rate of 10.74% maturing at various times to 2012 (1992 - 38 series at an average effective interest rate of 10.75% maturing at various times to 2012)	589,469	614,540
Sinking funds on deposit with the Minister of Finance and Corporate Relations for British Columbia, relating to long-term debt of \$577,532 (1992 - \$552,532)	<u>(139,382)</u>	<u>(136,855)</u>
	<u>450,087</u>	<u>477,685</u>

At March 31, 1993, the coupon rates on the long-term debt ranged from 5.25% to 15.69% (1992 - 5.25% to 15.69%).

Of the long-term debt outstanding, \$422,361 (1992 - \$447,361) is payable to the Ministry of Finance and Corporate Relations for British Columbia. The Province of British Columbia has unconditionally guaranteed the principal and interest of all other long-term debt issued by the Corporation.

At the option of the Minister of Finance for Canada, Sinking Fund Debentures with an aggregate principal of \$165,041 maturing between 1997 and 2003 may be called prior to maturity under certain conditions on six months written notice.

Principal payments, net of projected sinking fund balances at maturity, and sinking fund payments for each of the next five years:

1993/94	19,713
1994/95	64,425
1995/96	15,308
1996/97	19,890
1997/98	58,720



## BRITISH COLUMBIA BUILDINGS CORPORATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 1993 (\$ thousands)

8. Short-Term Debt

The interest rates on short-term debt range from 4.68% to 6.92% (1992 - 6.84% - 8.96%), and result in an average effective interest rate of 5.70% (1992 - 7.81%) for the notes outstanding. These notes mature at varying dates to September 2, 1993 and are payable to the Minister of Finance and Corporate Relations for British Columbia.

9. <u>Other Liabilities</u>	<u>1993</u>	<u>1992</u>
Due to bank, unsecured	1,815	1,285
Accounts payable and accrued liabilities	38,724	34,827
Holdbacks	4,849	3,418
Accrued interest payable:		
Province of British Columbia	10,748	11,683
Other	5,970	5,970
Rentals received in advance from the Province of British Columbia	8,688	9,718
Dividend payable	<u>16,613</u>	<u>12,008</u>
	<u>87,407</u>	<u>78,909</u>

## BRITISH COLUMBIA BUILDINGS CORPORATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 1993 (\$ thousands)

10. Commitments

The Corporation estimates that the cost to complete projects under construction will be \$117,000 of which \$38,000 has been committed.

The Corporation has entered into leases with third parties to provide space for its clients and its head office for varying periods up to the year 2037, at a total aggregate net rental of approximately \$301,000. Most leases are for between five and ten years and include renewal options.

Minimum annual lease payments which will be charges to operations in subsequent years, for leases committed at March 31, 1993:

1993/94	74,000
1994/95	64,000
1995/96	51,000
1996/97	38,000
1997/98	26,000
Post 1997/98	48,000

The Corporation has outstanding letters of credit totaling \$9,654 at March 31, 1993 to guarantee performance on various projects.

11. Interest

	<u>1993</u>	<u>1992</u>
Interest on long-term debt	61,014	58,350
Other interest	6,150	8,023
Amortization of debt discount and issue expenses	<u>3,255</u>	<u>3,657</u>
	<u>70,419</u>	<u>70,030</u>
Deduct:		
Sinking fund earnings	18,394	15,743
Interest capitalized	<u>4,519</u>	<u>2,135</u>
	<u>22,913</u>	<u>17,878</u>
	<u>47,506</u>	<u>52,152</u>

## BRITISH COLUMBIA BUILDINGS CORPORATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 1993 (\$ thousands)

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**12. Related Party Transactions**

The Corporation received 85% of its total revenues from Provincial Government ministries. These revenues consist primarily of rents that are determined with reference to market; however, in such cases where comparable market rates do not exist, rents are calculated based on the amortization of the properties' capital costs.

**13. Prior Year Amounts**

Certain prior year amounts have been reclassified to conform to current year presentation.



**British Columbia Educational Institutions  
Capital Financing Authority**

Auditor General of British Columbia

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**AUDITOR'S REPORT**

8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

(604) 387-6803  
Fax (604) 387-1230

*To the Members of the British Columbia Educational  
Institutions Capital Financing Authority, and*

*To the Minister of Finance and Corporate Relations,  
Province of British Columbia:*

I have audited the balance sheet of the British Columbia Educational Institutions Capital Financing Authority as at March 31, 1993 and the statement of financing and lending activities and statement of changes in sinking funds for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 1993 and the results of its operations and changes in sinking funds for the year then ended in accordance with generally accepted accounting principles.

George L. Morfitt, FCA  
Auditor General

*Victoria, British Columbia  
May 28, 1993*

## STATEMENT OF RESPONSIBILITY

To the Members of the  
British Columbia Educational Institutions  
Capital Financing Authority

Responsibility for the integrity and objectivity of the accompanying financial statements rests with the Authority. The financial statements are prepared by the Provincial Treasury, Ministry of Finance and Corporate Relations in accordance with generally accepted accounting principles in a manner consistent with the previous year. Systems of internal controls are in place to provide reasonable assurance that transactions are appropriately authorized, assets are safeguarded and financial records are properly maintained to provide reliable financial statements.

The Auditor General of the Province of British Columbia conducts an independent examination, in accordance with generally accepted auditing standards, and provides an independent professional opinion on the financial statements.



Arn van Iersel  
Director  
Banking/Cash Management  
Provincial Treasury

Victoria, British Columbia  
May 28, 1993

## BRITISH COLUMBIA EDUCATIONAL INSTITUTIONS CAPITAL FINANCING AUTHORITY

## BALANCE SHEET

AS AT MARCH 31, 1993

## ASSETS

	In Thousands	
	<u>1993</u>	<u>1992</u>
Loans receivable (note 3)	\$993,645	\$790,677
Less: Sinking funds (note 5)	<u>232,164</u>	<u>183,497</u>
	761,481	607,180
Accrued interest receivable	<u>32,381</u>	<u>27,536</u>
	<u>\$793,862</u>	<u>\$634,716</u>


## LIABILITIES

Term debt (note 4)	\$993,645	\$790,677
Less: Sinking funds (note 5)	<u>232,164</u>	<u>183,497</u>
	761,481	607,180
Accrued interest payable	<u>32,381</u>	<u>27,536</u>
	<u>\$793,862</u>	<u>\$634,716</u>

The six accompanying notes are an integral part of these financial statements.

Approved by the Authority:

  
 Glen Clark, Chairman

  
 Michael Costello, Secretary

BRITISH COLUMBIA EDUCATIONAL INSTITUTIONS CAPITAL FINANCING AUTHORITY  
 STATEMENT OF FINANCING AND LENDING ACTIVITIES  
 FOR THE YEAR ENDED MARCH 31, 1993

	In Thousands	
	<u>1993</u>	<u>1992</u>
<b>Funds generated from</b>		
Interest on loans receivable	\$100,921	\$ 85,503
Assets transferred from sinking funds (note 6)	-	13,827
Debentures issued	<u>202,968</u>	<u>164,013</u>
	<u>\$303,889</u>	<u>\$263,343</u>
<b>Funds applied to</b>		
Interest on term debt	\$100,921	\$ 85,503
Repayment of term debt (note 6)	-	13,827
Loans issued	<u>202,968</u>	<u>164,013</u>
	<u>\$303,889</u>	<u>\$263,343</u>



## BRITISH COLUMBIA EDUCATIONAL INSTITUTIONS CAPITAL FINANCING AUTHORITY

## STATEMENT OF CHANGES IN SINKING FUNDS

FOR THE YEAR ENDED MARCH 31, 1993

	In Thousands	
	<u>1993</u>	<u>1992</u>
<b>Increase</b>		
Instalments	\$ 22,380	\$ 20,377
Investment income	<u>26,494</u>	<u>21,268</u>
	<u>48,874</u>	<u>41,645</u>
<b>Decrease</b>		
Funds management fees (note 5)	115	99
Excess assets due to province (note 6)	-	3,303
Excess assets transferred to the province	92	173
Term debt retired	<u>-</u>	<u>13,827</u>
	<u>207</u>	<u>17,402</u>
<b>Net Increase in Sinking Funds</b>	48,667	24,243
<b>Sinking Funds, Beginning of Year</b>	<u>183,497</u>	<u>159,254</u>
<b>Sinking Funds, End of Year</b>	<u>\$232,164</u>	<u>\$183,497</u>

## BRITISH COLUMBIA EDUCATIONAL INSTITUTIONS CAPITAL FINANCING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1993

## 1. The Authority

The Authority was established by the Educational Institution Capital Finance Act, R.S.B.C. 1979, Chapter 102, as amended. Section 3 of the Act states "The purpose of the authority is to lend money to designated educational institutions to finance their capital expenditures".

The loans made by the Authority to the educational institutions are financed by, and have interest rates and maturity dates identical to, the borrowing of the Authority itself.

## 2. Significant accounting policies

These financial statements are prepared on the basis of generally accepted accounting principles.

## Sinking fund investments

- i) Short term investments are carried at the lower of cost or market value.
- ii) Units in Province of British Columbia Pooled Investment Portfolios are carried at the lower of cost, adjusted by income attributed to the units, or market value.
- iii) Long term investments are valued at cost of acquisition adjusted by amortization of discounts and premiums on a true constant yield basis over the remaining terms of the investments.

## 3. Loans receivable

Certain loans receivable \$564,846,383 (1992: \$564,846,383) have early redemption provisions similar to those of the related debentures issued by the Authority.

## BRITISH COLUMBIA EDUCATIONAL INSTITUTIONS CAPITAL FINANCING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1993

## 4. Term debt

In Thousands

	<u>1993</u>	<u>1992</u>
Held by:		
Canada Pension Plan Investment Fund 9.13% to 17.51% debentures, due 1998 through 2009	\$456,419	\$456,419
Province of British Columbia Pension Funds 11.75% debentures, due 1993	3,747	3,747
Province of British Columbia 8.50% to 11.33% debentures, due 1993 through 2012	<u>533,479</u>	<u>330,511</u>
	<u>\$993,645</u>	<u>\$790,677</u>

Debentures issued to the Canada Pension Plan Investment Fund are redeemable in whole or in part before maturity, on six months' notice, at the option of the Minister of Finance of Canada, subject to certain restrictions.

Debentures maturing in the next five fiscal years are as follows:

In Thousands

1994	\$ 6,227
1995	23,133
1996	-
1997	-
1998	20,083

Sinking fund instalments due in the next five fiscal years are as follows:

In Thousands

1994	\$29,799
1995	29,263
1996	25,870
1997	25,870
1998	25,748

The Province of British Columbia has unconditionally guaranteed the payment of principal and interest on \$460,166,000 (1992: \$460,166,000) of the debt of the Authority.

## BRITISH COLUMBIA EDUCATIONAL INSTITUTIONS CAPITAL FINANCING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1993

5. Sinking funds	In Thousands	
	<u>1993</u>	<u>1992</u>
Cash and short term investments (at market)	\$ 2,449	\$ -
Accounts receivable for investments sold	44	-
Units in Province of British Columbia Pooled Investment Portfolio (market value \$27,880,426; 1992: \$28,628,622)	27,807	28,629
Long term investments (market value \$213,400,870; 1992: \$159,420,093)	199,103	155,595
Accrued interest	<u>2,791</u>	<u>2,602</u>
	<u>232,194</u>	<u>186,826</u>
Less: Excess assets of matured sinking funds payable to the province	-	3,303
Accounts payable	<u>30</u>	<u>26</u>
	<u>\$232,164</u>	<u>\$183,497</u>

Sinking fund instalments received from the educational institutions in respect of their debt to the Authority, together with the investment income earned thereon, are placed in sinking funds maintained by the trustee, the Minister of Finance and Corporate Relations. These funds provide for the retirement of educational institutions' debt and in turn, for the retirement of the debt of the Authority at maturity.

Long term investments consist primarily of bonds of the Government of Canada, various provinces and Crown corporations.

Funds management fees have been charged to the sinking funds of the Authority by the Minister of Finance and Corporate Relations in accordance with Section 39(4) of the Financial Administration Act. These fees are based on the market value of sinking fund assets and are charged on a quarterly basis during the year.

## 6. Assets transferred from sinking funds

During the year ended March 31, 1993, sinking fund assets, with a cost of \$nil (1992: \$13,827,000) were transferred to the Authority for the repayment of the Authority's term debt with a par value of \$nil (1992: \$13,827,000).

When the assets of the sinking fund exceed what is required to meet the obligation of the debt, the Authority pays the excess to the province. For the year ended March 31, 1993, excess assets payable were \$nil (1992: \$3,303,176).

**British Columbia Enterprise Corporation**

Auditor General of British Columbia

8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

**AUDITOR'S REPORT**

(604) 387-6803  
Fax (604) 387-1230

*To the Shareholder of British Columbia Enterprise Corporation:*

I have audited the balance sheet of British Columbia Enterprise Corporation as at March 31, 1993. This financial statement is the responsibility of the Corporation's management. My responsibility is to express an opinion on the balance sheet based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, this balance sheet presents fairly, in all material respects, the financial position of the Corporation as at March 31, 1993 in accordance with generally accepted accounting principles.

A handwritten signature in dark ink, reading "George L. Morfitt".

George L. Morfitt, FCA  
Auditor General

*Victoria, British Columbia  
May 7, 1993*

## BRITISH COLUMBIA ENTERPRISE CORPORATION

## BALANCE SHEET

AS AT MARCH 31, 1993

	1993	1992
<b>ASSETS</b>		
	\$ 2	\$ 2
	<u>2</u>	<u>2</u>
	<u>\$ 2</u>	<u>\$ 2</u>
 <b>SHAREHOLDER'S EQUITY</b>		
re capital		
uthorized -		
0,000 common shares without par value		
ssued and fully paid -		
common shares	\$ 2	\$ 2
ained earnings	30,026,421	30,026,421
	<u>30,026,423</u>	<u>30,026,423</u>
	30,026,423	30,026,423
assets transferred to shareholder (Note 2)	<u>(30,026,421)</u>	<u>(30,026,421)</u>
	<u>\$ 2</u>	<u>\$ 2</u>

APPROVED BY THE BOARD

  
 Director



## BRITISH COLUMBIA ENTERPRISE CORPORATION

## NOTES TO BALANCE SHEET

AS AT MARCH 31, 1993

## 1. THE CORPORATION

British Columbia Enterprise Corporation (the Corporation) is incorporated under the Company Act of British Columbia. It is a wholly-owned provincial Crown corporation having special powers under the British Columbia Enterprise Corporation Act.

The Corporation ceased operations on September 30, 1989, and has been inactive since that date. It is intended that the Corporation be wound up.

## 2. NET ASSETS TRANSFERRED TO SHAREHOLDER

These represent certain assets and liabilities that were transferred to the Province and, on instructions from the shareholder, to B.C. Pavilion Corporation on September 30, 1989.



**British Columbia Ferry Corporation****AUDITORS' REPORT**

---

*Price Waterhouse*

To the Lieutenant-Governor in Council  
**Province of British Columbia**

We have audited the balance sheet of **British Columbia Ferry Corporation** as at March 31, 1993 and the statements of operations and deficit and changes in financial position for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

The financial statements as at March 31, 1992 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their report dated May 15, 1992.

Victoria, BC  
May 20, 1993

Chartered Accountants

## BRITISH COLUMBIA FERRY CORPORATION

## BALANCE SHEET AT MARCH 31, 1993

(expressed in thousands)

ASSETS	<u>1993</u>	<u>1992</u>
ASSETS IN SERVICE (Note 3)	\$416,724	\$346,281
ASSETS UNDER CONSTRUCTION (Note 4)	258,917	171,327
CURRENT ASSETS (Note 5)	<u>16,365</u>	<u>38,586</u>
	<u>\$692,006</u>	<u>\$556,194</u>
LIABILITIES		
LONG TERM DEBT (Note 6)	\$304,994	\$157,593
OBLIGATIONS UNDER CAPITAL LEASES (Note 7)	37,201	39,136
CAPITAL GRANT (Note 8)	125,004	128,546
CURRENT LIABILITIES (Note 9)	78,307	68,252
ACCRUED SICK LEAVE LIABILITY (Note 10)	<u>4,991</u>	<u>5,339</u>
	<u>550,497</u>	<u>398,866</u>
SHAREHOLDER'S EQUITY		
SHARE CAPITAL (Note 11)	6,851	6,851
CONTRIBUTED SURPLUS	250,401	250,401
DEFICIT	<u>(115,743)</u>	<u>(99,924)</u>
	<u>141,509</u>	<u>157,328</u>
	<u>\$692,006</u>	<u>\$556,194</u>

ON BEHALF OF THE BOARD:

  
 DIRECTOR

  
 DIRECTOR

BRITISH COLUMBIA FERRY CORPORATION  
STATEMENT OF OPERATIONS AND DEFICIT

YEAR ENDED MARCH 31, 1993

(expressed in thousands)

	<u>1993</u>	<u>1992</u>
OPERATING REVENUES		
Tolls	\$ 216,252	\$ 204,309
Catering and other income	48,997	46,592
Operating grant (Note 2)	<u>41,298</u>	<u>28,147</u>
	<u>306,547</u>	<u>279,048</u>
OPERATING EXPENSES		
Salaries, wages and benefits	185,077	164,306
Fuel	31,542	28,161
Contracted services	22,948	22,751
Cost of food and goods sold	18,302	17,871
Materials and supplies	17,654	15,981
Depreciation and amortization	17,061	12,852
General and administration (Note 12)	21,386	19,247
Net financing expense	<u>8,396</u>	<u>3,113</u>
	<u>322,366</u>	<u>284,282</u>
EXCESS OF EXPENSES OVER REVENUES FOR THE YEAR	(15,819)	(5,234)
DEFICIT AT BEGINNING OF YEAR	<u>(99,924)</u>	<u>(94,690)</u>
DEFICIT AT END OF YEAR	<u><u>\$(115,743)</u></u>	<u><u>\$ (99,924)</u></u>

BRITISH COLUMBIA FERRY CORPORATION  
 STATEMENT OF CHANGES IN FINANCIAL POSITION  
 YEAR ENDED MARCH 31, 1993  
 (expressed in thousands)

	<u>1993</u>	<u>1992</u>
OPERATING ACTIVITIES		
Excess of expenses over revenues for the year	\$ (15,819)	\$ (5,234)
Depreciation, amortization and other non-cash charges	16,704	13,250
Change in operating working capital	<u>13,109</u>	<u>11,634</u>
	<u>13,994</u>	<u>19,650</u>
INVESTING ACTIVITIES		
Fixed asset additions	(178,360)	(217,767)
Change in working capital used to finance fixed asset additions	(7,844)	(1,589)
Proceeds from disposals of assets	<u>0</u>	<u>495</u>
	<u>(186,204)</u>	<u>(218,861)</u>
FINANCING ACTIVITIES		
Proceeds from long term debt issues	150,259	150,129
Capital grant (Note 2)	0	22,853
Long term debt repayment	(2,034)	(761)
Capital lease payments	<u>(1,779)</u>	<u>(1,615)</u>
	<u>146,446</u>	<u>170,606</u>
DECREASE IN CASH	25,764	28,605
CASH AT BEGINNING OF YEAR	<u>21,070</u>	<u>49,675</u>
CASH (OVERDRAFT) AT END OF YEAR	<u>\$ (4,694)</u>	<u>\$ 21,070</u>

## Notes

## BRITISH COLUMBIA FERRY CORPORATION

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 1993

(tabular amounts in thousands)

The Corporation was incorporated under the Ferry Corporation Act on June 30, 1976 and commenced operations on January 1, 1977. The shares of the Corporation are held by the Minister of Finance as representative of Her Majesty the Queen in right of the Province of British Columbia.

## 1. SIGNIFICANT ACCOUNTING POLICIES

As required in Section 8(7) of the Ferry Corporation Act, the financial statements of the Corporation are prepared in accordance with generally accepted accounting principles. Significant accounting policies adopted in the preparation of these financial statements are as follows:

## Inventories -

Inventories which consist of materials and supplies, catering stores, and fuel are valued at the lower of weighted average cost and current replacement cost.

## Fixed assets -

Certain ships, berths, buildings and equipment were transferred from the Province in prior years. These assets were recorded at estimated depreciated replacement value at the dates of acquisition. Included in these values are three ships under charter by the Province until 1994 which were subchartered to the Corporation for the same period at an annual cost of \$1 each. The Corporation may request the Province, at its expense, to exercise its option to purchase the ships in 1994 and transfer title to the Corporation under the terms of the subcharter agreement.

The costs of all other major replacements, additions, extensions and improvements, including direct overhead and interest costs are capitalized in the Assets under Construction accounts and transferred to the Assets in Service account when placed into service. The costs of maintenance, repairs, refit and minor renewals or replacements are expensed as incurred.

## Depreciation -

Fixed assets, including assets recorded under capital leases, are depreciated using the straight line method based upon the useful lives of the assets as determined by the Corporation. Useful lives are as follows: ships - 40 years, berths - 10-30 years, buildings - 20 years, equipment - 5-12 years.

## Amortization of long term debt discount and issue costs -

Long term debt discount is amortized using the compound interest method over the term of the debt. Issue costs for long term debt and capital leases are amortized on a straight-line basis over the term of the debt or lease.

**Provincial Government Grant -**

The annual grant received from the Province of British Columbia is applied firstly to cover any designated uses; secondly to any annual operating loss less depreciation plus net financing expense and long term debt and capital lease payments; and thirdly any excess is applied to a capital grant account. The capital grant is amortized on the same basis as the related fixed assets are depreciated and is netted against depreciation on the Statement of Operations.

**Contributed surplus -**

Contributed surplus represents the recorded value of certain assets received from the Province of British Columbia in prior years.

**Comparative figures -**

Certain comparative figures have been reclassified to conform with the presentation adopted for the current year.

**2. ANNUAL GRANT**

The Corporation received a cash grant of \$43.1 million (1992 - \$51.0 million) from the Province of British Columbia. Of this amount, \$1.8 million has been designated for the purchase of filled foreshore from the Province; \$41.3 million (1992 - \$28.1 million) has been recorded as operating grant; and none (1992 - \$22.9 million) has been allocated to capital (Note 8).

**3. ASSETS IN SERVICE**

	1993			1992
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Ships owned	\$ 402,583	\$ 189,380	\$ 213,203	\$ 187,476
Ships under capital lease	132,811	63,998	68,813	69,521
Berths, buildings and equipment	257,022	141,765	115,257	75,339
Land	<u>19,451</u>	<u>-</u>	<u>19,451</u>	<u>13,945</u>
	<u>\$ 811,867</u>	<u>\$ 395,143</u>	<u>\$ 416,724</u>	<u>\$ 346,281</u>



## Notes

## 4. ASSETS UNDER CONSTRUCTION

In 1989, the Corporation began a major capital expansion program. A summary of transactions during the year follows:

	<u>Balance beginning of year</u>	<u>Costs incurred in the year</u>	<u>Assets placed in service</u>	<u>Balance end of year</u>
Vessels -				
Construction of the Spirit of British Columbia was completed in April 1993. Its sister ship, the Spirit of Vancouver Island is under construction and is expected to enter service in the spring of 1994.	\$123,403	\$130,095	\$ -	\$253,498
The Queen of Cumberland was completed in the year.	28,235	3,826	32,061	-
Terminal redevelopment -				
Tsawwassen - Improvements to passenger services and ticketing facilities were completed in the year. Work continues on a new intersection to provide a wider and safer entrance to the terminal.	5,065	8,298	10,856	2,507
Swartz Bay - Improvements to passenger services and marine structures were completed in the year. Work continues on a new traffic control tower and improvements to the exit lanes.	<u>14,624</u>	<u>19,890</u>	<u>31,602</u>	<u>2,912</u>
	<u>\$171,327</u>	<u>\$162,109</u>	<u>\$ 74,519</u>	<u>\$258,917</u>

Interest costs of \$14.3 million (1992 - \$4.9 million) were capitalized as cost of construction in the year.

Commitments at March 31, 1993 totalled \$35.1 million.



## Notes

## 5. CURRENT ASSETS

	<u>1993</u>	<u>1992</u>
Cash and short-term investments	\$ -	\$21,070
Accounts receivable	6,680	7,812
Inventories	<u>9,685</u>	<u>9,704</u>
	<u>\$16,365</u>	<u>\$38,586</u>

## 6. LONG TERM DEBT

	<u>1993</u>	<u>1992</u>
Sinking fund bonds, weighted average interest rate of 8.55% maturing at various dates from 2003 to 2023, amortized over 30 years, repayable by annual sinking fund payments of \$2.0 million	\$224,800	\$110,000
Sinking fund promissory note, effective interest rate of 12.44%, due September 9, 2003, repayable by annual sinking fund payments of \$.3 million	14,758	14,758
Short-term loans, weighted average interest rate of 5.82%, to be refinanced on maturity	<u>77,069</u>	<u>40,130</u>
	316,627	164,888
Less: sinking funds	6,126	4,092
current sinking fund payments	2,307	1,293
deferred charges	<u>3,200</u>	<u>1,910</u>
	<u>\$304,994</u>	<u>\$157,593</u>

Long term debt is due to the Province of British Columbia.

Annual sinking fund requirements are:

1994	\$ 2,307
1995	2,307
1996	2,307
1997	2,307
1998	2,307

## Notes

## 7. OBLIGATIONS UNDER CAPITAL LEASES

The Corporation has obligations under capital leases for the M.V. "Queen of Surrey", M.V. "Quinsam" and other equipment.

Total future minimum lease payments, net of sinking fund requirements, for fiscal years ending in:

1994	\$ 5,366
1995	5,366
1996	5,379
1997	5,658
1998	4,486
1999 and subsequent	<u>41,542</u>
	67,797
Less: interest at implicit rates between 8.69% and 10.64%	<u>28,486</u>
Present value of net minimum capital lease payments	39,311
Less: current portion	1,938
deferred charges	<u>172</u>
	<u>\$37,201</u>

The Corporation also has an obligation under capital lease for the M.V. "Queen of Oak Bay". The \$43.0 million (1992 - \$43.4 million) obligation is offset by a debenture from the Province of B.C. in the amount of \$36.0 million (1992 - \$37.2 million) and related sinking fund of \$7.6 million (1992 - \$6.8 million). The debenture and the capital lease mature in December 2006. The net of these amounts and related accrued interest is included in accounts receivable.

## 8. CAPITAL GRANT

	<u>1993</u>	<u>1992</u>
Capital grant at beginning of year	\$128,546	\$109,152
Provincial Government grant, capital portion (Note 2)	<u>0</u>	<u>22,853</u>
Annual amortization	<u>128,546</u> <u>3,542</u>	<u>132,005</u> <u>3,459</u>
Capital grant at end of year	<u>\$125,004</u>	<u>\$128,546</u>

## Notes

## 9. CURRENT LIABILITIES

	<u>1993</u>	<u>1992</u>
Outstanding cheques	\$ 4,694	\$ -
Accounts payable and accrued liabilities	58,333	55,829
Deferred revenue	11,035	9,362
Current portion of long-term obligations	<u>4,245</u>	<u>3,061</u>
	<u>\$78,307</u>	<u>\$68,252</u>

## 10. ACCRUED SICK LEAVE LIABILITY

In 1978 the Corporation introduced short-term illness and injury and long-term disability plans and as of that date all employees ceased accruing sick leave credits. In the event of illness the accumulated sick time may be withdrawn. On retirement, any balance remaining is payable at 50% of accredited time.

An actuarial valuation by Leong & Associates in 1991 established the value at March 31, 1991 and the projected value for 1992 and the subsequent two years. This projected value has been reflected in the financial statements.

## 11. SHARE CAPITAL

	<u>1993</u>	<u>1992</u>
Authorized: 1,000,000 shares without par value with a maximum consideration of \$100 million		
Issued: 68,512 shares	<u>\$6,851</u>	<u>\$6,851</u>

## 12. GENERAL AND ADMINISTRATION EXPENSES

	<u>1993</u>	<u>1992</u>
Professional Services	\$ 3,764	\$ 5,308
Crew accomodation and other travel	3,351	2,824
Insurance	2,363	2,034
Advertising	1,980	1,837
Telecommunications	1,835	1,493
Utilities	1,654	1,592
Computer software	1,591	1,728
Corporation capital tax	1,579	0
Other	<u>3,269</u>	<u>2,431</u>
	<u>\$21,386</u>	<u>\$19,247</u>

## 13. RELATED PARTY TRANSACTIONS

In addition to the annual grant described in Note 2, the Provincial Government pays \$4.8 million for annual leases of three ships which are sub-leased from the Province at an annual cost of \$1 each. These payments are attributed to the Corporation in the annual estimates of the Province but are not recorded by the Corporation.

## Notes

The Corporation utilizes Crown land for terminals and highway access without the payment of rent or property taxes. In 1991 the Corporation initiated a program of payments to municipalities in lieu of property taxes for terminals located within municipal boundaries.

The Corporation engages in transactions with other provincial government agencies, departments and Crown Corporations, notably B.C. Hydro and Power Authority and B.C. Systems Corporation, on normal commercial terms.

The Minister of Finance, in his capacity as the Corporation's fiscal agent, arranges short and long term financing at the Corporation's request. The Corporation paid fees totalling \$.8 million (1992 - \$1.0 million) in the year for these fiscal agent services.

#### 14. CONTINGENT LIABILITIES

The Corporation, in conducting its usual business activities, is involved in various legal proceedings and litigation, the outcome of which is indeterminable. It is the Corporation's policy to carry adequate insurance to minimize the financial risk associated with such matters. Management is of the opinion that the aggregate liability, if any, of these proceedings and litigation would not be material to the Corporation.

**British Columbia Festival of the Arts Society**

Chartered Accountants

Suite 620  
880 Douglas Street  
Victoria, B.C. V8W 2B7(604) 383 4191  
Fax (604) 381 4623*Price Waterhouse*

September 23, 1992

**Auditors' Report**To the Members of the  
B.C. Festival of the Arts Society

We have audited the balance sheet of the B.C. Festival of the Arts Society as at August 31, 1992 and the statement of revenue and expenditures and surplus for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at August 31, 1992 and the results of its operations for the year then ended in accordance with the accounting principles described in the notes to the financial statements. As required by the Society Act of the Province of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding period.

*Price Waterhouse*

Chartered Accountants

**B.C. Festival of the Arts Society****Balance Sheet**

	<b>August 31</b>	
	<b>1992</b>	<b>1991</b>
<b>Assets</b>		
Current assets		
Cash	\$ 20,716	\$ 125,783
Investments	360,339	214,482
Accounts receivable	332	3,267
G.S.T. refund receivable	2,871	1,722
Accrued interest	1,347	997
Surplus receivable (note 6)	35,283	-
	<u>420,888</u>	<u>346,251</u>
Fixed assets, at cost	17,498	14,965
Less: Accumulated depreciation	9,426	7,786
	<u>8,072</u>	<u>7,179</u>
	<u>\$ 428,960</u>	<u>\$ 353,430</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 8,561	\$ 8,906
Grants payable	130,063	75,000
Deferred grant revenue (note 2)	263,000	263,000
	<u>401,624</u>	<u>346,906</u>
<b>Surplus</b>		
Surplus	<u>27,336</u>	<u>6,524</u>
	<u>\$ 428,960</u>	<u>\$ 353,430</u>

Approved by the Board

Director

Director

# B.C. Festival of the Arts Society

## Statement of Revenue and Expenditures and Surplus

	Year ended August 31 1992	5 months ended August 31 1991
Revenue		
Grant		
- Province of British Columbia	\$ 800,000	\$ 537,000
- University of Victoria	1,935	-
Donations	13,278	1,641
Interest	29,526	12,534
	<u>844,739</u>	<u>551,175</u>
Expenditures		
Host Community (note 6)	354,095	346,300
Delegates	136,774	78,561
Provincial Arts Service Organizations	100,000	11,116
Staff salaries and wages	66,627	21,364
Adjudicators	49,130	41,289
Advertising and promotion	49,061	18,250
Office expenses	22,990	14,603
Travel	15,284	10,007
Executive Directors' fees	9,750	4,000
Rent and storage	8,434	3,714
Stationery	6,091	105
Telephone	5,691	2,509
	<u>823,927</u>	<u>551,818</u>
Net expenditures under (over) revenue for the period	20,812	(643)
Surplus, beginning of period	6,524	7,167
Surplus, end of period	<u>\$ 27,336</u>	<u>\$ 6,524</u>



## B.C. Festival of the Arts Society

### Notes to Financial Statements

August 31, 1992

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#### 1. Significant accounting policies

##### a) Fixed assets

Fixed assets are capitalized. Depreciation is calculated using the declining balance method at the following rates:

Computer equipment	30%
Furniture and office equipment	20%

##### b) Donated equipment and materials

Donated equipment and materials are recorded at fair market value when this can be reasonably determined.

##### c) Host community

Host community operating funds are recorded as expenditures in the year of the festival. Legacy funds are recognized as payable in the year of the festival.

#### 2. Deferred grant revenue

Grant revenue received from the Ministry of Tourism and Ministry Responsible for Culture was for the year ended March 31, 1993.

In order to match revenue and expenditures \$263,000 of the grant has been deferred to reflect anticipated expenditures of the Society from September 1, 1992 to March 31, 1993.

#### 3. Comparative figures

Comparative figures for the five month period ended August 31, 1991 were reported on by other auditors. Certain comparative figures have been restated to conform to the current year's presentation.

#### 4. Statement of changes in financial position

A statement of changes in financial position is not provided as it would not provide any additional information.

#### 5. Registered charity

The Society was designated a registered charity and charitable organization under the Income Tax Act effective September 1, 1991.

#### 6. Festival Surplus

The Vernon Festival (May 1992) and the Saanich Festival (May 1990) had an accounting surplus. The Board of Directors has resolved, as an interim policy, that the surplus is to be shared equally between the society and the host community. The society's share of the surplus has been recorded as a reduction to the host community expenditures. The surplus receivable consists of \$27,531 due from Vernon and \$7,752 from Saanich.

## British Columbia Hazardous Waste Management Corporation

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### AUDITORS' REPORT

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To the **Board of Directors**  
**Lieutenant Governor in Council, Province of British Columbia**  
**Minister of Environment, Lands and Parks, Province of**  
**British Columbia**

We have audited the balance sheet of **British Columbia Hazardous Waste Management Corporation** as at March 31, 1993 and the statements of operations and retained excess of revenues over expenses and changes in financial position for the year then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Vancouver, Canada,  
June 4, 1993.

*Ernst & Young*

Chartered Accountants

## British Columbia Hazardous Waste Management Corporation

## BALANCE SHEET

As at March 31

	1993 \$	1992 \$
<b>ASSETS</b>		
Cash	296,162	2,126,852
Accounts receivable	187,118	56,506
Prepaid expenses	—	236
Fixed assets <i>[note 4]</i>	—	231,510
	<b>483,280</b>	<b>2,415,104</b>
<b>LIABILITIES AND RETAINED EXCESS OF REVENUES OVER EXPENSES</b>		
Accounts payable and accrued liabilities	361,463	1,364,028
Contingencies <i>[note 6]</i>	—	—
Retained excess of revenues over expenses	121,817	1,051,076
	<b>483,280</b>	<b>2,415,104</b>

*See accompanying notes*

On behalf of the Board:

Director



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**British Columbia Hazardous Waste Management Corporation**
**STATEMENT OF OPERATIONS AND RETAINED  
EXCESS OF REVENUES OVER EXPENSES**


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Year ended March 31

	1993 \$	1992 \$
<b>REVENUES</b>		
Sustainable Environment Fund grant	—	4,000,000
Interest income	39,671	113,289
	<u>39,671</u>	<u>4,113,289</u>
<b>EXPENSES</b>		
Operating expenses	939,957	1,363,171
Salaries and benefits	18,695	1,386,414
Office administration	12,732	788,114
Building occupancy	(16,313)	456,886
Depreciation	—	136,502
	<u>955,071</u>	<u>4,131,087</u>
<b>Deficiency of revenues over expenses</b>	(915,400)	(17,798)
Retained excess of revenues over expenses, beginning of period	1,051,076	1,134,806
Continuity of interest adjustment	(13,859)	(65,932)
<b>Retained excess of revenues over expenses, end of period</b>	<u>121,817</u>	<u>1,051,076</u>

*See accompanying notes*

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**British Columbia Hazardous Waste Management Corporation**
**STATEMENT OF CHANGES IN FINANCIAL POSITION**


---

Year ended March 31

	1993 \$	1992 \$
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses	(915,400)	(17,798)
Adjustment for items not involving a flow of cash:		
Depreciation	—	136,502
Change in non-cash working capital balances related to operations	(1,132,941)	1,189,297
<b>Cash provided by (used in) operating activities</b>	<b>(2,048,341)</b>	<b>1,308,001</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of fixed assets	—	(17,698)
Proceeds on sale of fixed assets	217,651	24,910
<b>Cash provided by (used in) investing activities</b>	<b>217,651</b>	<b>7,212</b>
<b>Increase (decrease) in cash</b>	<b>(1,830,690)</b>	<b>1,315,213</b>
Cash, beginning of period	2,126,852	811,639
<b>Cash, end of period</b>	<b>296,162</b>	<b>2,126,852</b>

*See accompanying notes*

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**British Columbia Hazardous Waste Management Corporation****NOTES TO FINANCIAL STATEMENTS**

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March 31, 1993

**1. AUTHORITY**

British Columbia Hazardous Waste Management Corporation is established under the Hazardous Waste Management Corporation Act (the Act). The principle role of the Corporation is the development, implementation and maintenance of a comprehensive hazardous waste management system in British Columbia through partnership with industry, business and local government.

The Act limited the lifespan of the Corporation to 5 years. The Corporation commenced operations on August 1, 1990.

**2. TRANSFER OF OPERATIONS**

On March 26, 1992 the Provincial government announced that all the operations of the Corporation would be reorganized and transferred to the Ministry of Environment, Land and Parks. During the three months ended June 30, 1992, the reorganization and transfer was substantially completed. Final wind-up of the Corporation will occur when legal obligations are fulfilled.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As prescribed by Section 12(7) of the Act, the financial statements of the Corporation are prepared according to generally accepted accounting principles.

**Continuity of interest**

Any non-arm's length reorganization and transfer of operations is accounted for using the continuity of interest method of accounting under which gains and losses on non-arm's length asset transfers are recorded directly in the statement of retained excess of revenues over expenses at the time of their transfer. Expenses related to the non-arm's length reorganization and transfer of operations are costs of continuing public sector operations and are classified according to their nature in the statement of operations.

**Estimated future costs of reorganizing and transferring operations**

Estimated future costs related to the reorganization and transfer of operations are accrued and expensed in the fiscal period in which the reorganization decision is made. Subsequent changes in estimates or differences between actuals and estimates are expensed in the period the change occurs.



## British Columbia Hazardous Waste Management Corporation

### NOTES TO FINANCIAL STATEMENTS

March 31, 1993

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

##### Fixed assets

Fixed assets are recorded at cost less depreciation provided on the straight-line basis as follows:

Computer equipment	3 years
Furniture and equipment	5 years
Leasehold improvements	5 years

##### Corporate income taxes

The Corporation is exempt from Federal and Provincial income taxes.

#### 4. FIXED ASSETS

	Cost \$	Accumulated depreciation \$	Net book value \$
<b>March 31, 1992</b>			
Computer equipment	240,123	133,402	106,721
Furniture and equipment	163,632	52,151	111,481
Leasehold improvements	19,553	6,245	13,308
	<b>423,308</b>	<b>191,798</b>	<b>231,510</b>

During the year ended March 31, 1993 the Corporation's remaining fixed assets were sold.

#### 5. RELATED PARTY TRANSACTIONS

The Corporation engages in transactions with other government agencies, departments and Crown Corporations on normal intra-government terms. At March 31, 1993, \$180,445 is receivable from and \$299,136 is payable to government agencies, departments and Crown Corporations.

#### 6. CONTINGENCIES

The Corporation is subject to claims which arose as a result of the decision to reorganize and transfer the operations of the Corporation. The amount of the eventual settlement of the claims is not determinable and will be accounted for in the year of settlement.



**British Columbia Health Research Foundation****Auditor General of British Columbia****AUDITOR'S REPORT**

8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

(604) 387-6803  
Fax (604) 387-1230

*To the Members of the Board of Directors,  
British Columbia Health Research Foundation, and*

*To the Minister of Health and Minister Responsible for Seniors,  
Province of British Columbia:*

I have audited the balance sheet of the British Columbia Health Research Foundation as at March 31, 1993 and the statement of revenue and expenditure and surplus for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 1993 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

A handwritten signature in dark ink, appearing to read "George L. Morfitt".

George L. Morfitt, FCA  
Auditor General

*Victoria, British Columbia  
June 18, 1993*

## STATEMENT OF MANAGEMENT RESPONSIBILITY


*To the Board of Directors of the  
British Columbia Health Research Foundation, and*

*To The Minister of Health and Minister Responsible for Seniors,  
Province of British Columbia:*

The responsibility for the integrity and objectivity of the accompanying financial statements rests with the Foundation. The financial statements are prepared by Finance and Management Services, Ministry of Health and Minister Responsible for Seniors, in accordance with generally accepted accounting principles for non-profit organizations in a manner consistent with the previous year.

Management is also responsible for designing policies and procedures to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded, and financial records properly maintained to provide reliable financial statements.

The Auditor General of the Province of British Columbia conducts an independent audit of the financial statements of the Foundation in accordance with generally accepted auditing standards, and provides an independent professional opinion on these financial statements.



J. D. Herbert, C.A.  
Executive Director  
Finance and Management Services  
Ministry of Health and  
Minister Responsible for Seniors

Victoria, British Columbia  
June 18, 1993

## BRITISH COLUMBIA HEALTH RESEARCH FOUNDATION

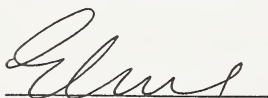
## BALANCE SHEET

AS AT MARCH 31, 1993


	1993	1992
<b>ASSETS</b>		
Cash	\$ 30,610	\$ 50,174
Short-term investments (market \$15,823,576 - 1992 \$17,054,928)	15,780,849	17,040,008
Accounts receivable	107,639	2,243
	<u>15,919,098</u>	<u>17,092,425</u>
	<u><u>\$ 15,919,098</u></u>	<u><u>\$ 17,092,425</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 10,672	\$ 14,179
Grants, fellowships and scholarships payable	5,251,257	7,106,190
Deferred contributions (note 4)	6,069,138	6,177,710
<b>SHAREHOLDER'S EQUITY</b>		
Share Capital-authorized and issued, one share with a par value of \$100 (note 1)	100	100
Surplus	4,587,931	3,794,246
	<u>15,919,098</u>	<u>17,092,425</u>
	<u><u>\$ 15,919,098</u></u>	<u><u>\$ 17,092,425</u></u>

The accompanying notes are an integral part  
of these financial statements.

Approved by the Directors:



Elizabeth Cull  
Director



Les Foster  
Director

BRITISH COLUMBIA HEALTH RESEARCH FOUNDATION

STATEMENT OF REVENUE AND EXPENDITURE AND SURPLUS

FOR THE YEAR ENDED MARCH 31, 1993

	1993	1992
REVENUE		
Contributions:		
Ministry of Health and Ministry Responsible for Seniors (note 3)	\$ 8,458,572	\$ 8,832,635
Ministry of Advanced Education, Training and Technology	-	1,259,706
Interest	1,180,747	1,827,111
Donations	-	150
	<u>9,639,319</u>	<u>11,919,602</u>
EXPENDITURE		
Grants		
-Research	5,478,379	5,895,817
-Equipment	322,566	963,452
-Emergency funding	22,332	24,440
-Development	10,000	-
-Targeted research projects	1,169,480	1,060,196
Research fellowships	117,690	94,205
Scholarship awards	832,106	1,466,531
Administrative expenses	749,398	573,204
Honorariums	100,000	115,927
Joint Patent Fund	(56,317)	278,007
Educational Program	100,000	-
	<u>8,845,634</u>	<u>10,471,779</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>793,685</u>	<u>1,447,823</u>
SURPLUS AT BEGINNING OF YEAR	<u>3,794,246</u>	<u>2,346,423</u>
SURPLUS AT END OF YEAR	<u>\$ 4,587,931</u>	<u>\$ 3,794,246</u>

**BRITISH COLUMBIA HEALTH RESEARCH FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 1993**

**1. THE FOUNDATION**

The British Columbia Health Research Foundation (the Foundation) was incorporated pursuant to the British Columbia Health Research Foundation Act (the Act) on March 12, 1991, and is an agent of the Crown. The Act provided for the Foundation to assume all rights and obligations of the British Columbia Health Care Research Foundation, incorporated under the Society Act.

The objects of the Foundation are to assist and collaborate with organizations conducting research in the field of health, including policy, promotion, and care in the Province of British Columbia; to co-operate with community facilities or organizations concerned with the general health of communities in the Province; and to accept and receive grants, donations, and other funds for use in carrying out its objects. It awards grants to support health research, purchase of equipment, development of research proposals, and special research demonstration projects for innovative community based pilot projects.

One share with a par value of \$100.00 in the capital of the Foundation was issued on June 28, 1991, and is held by the Minister of Finance and Corporate Relations.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

These financial statements have been prepared in accordance with generally accepted accounting principles for non-profit organizations. A statement of changes in financial position has not been prepared as the changes in financial position are readily apparent.

**Specific Accounting Policies**

**a) Revenue**

Contributions are recorded as revenue when they become receivable, except that contributions for funding targeted research projects and projects under the Federal Patent Act are recognized as revenue in the current year only to the extent that awards are made by the Foundation.

**BRITISH COLUMBIA HEALTH RESEARCH FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 1993**

**b) Expenditures**

Grants and fellowships are recognized as expenditures in the year they are awarded. Amounts previously awarded but declined during the year are recorded as a reduction of the current year's expenditures.

Scholarship awards are renewable for three additional years, subject to satisfactory annual progress reports and applications for renewal. Only current year awards are recognized as expenditures in the current year.

Furniture and equipment are recorded as expenditures in the year of acquisition. The amount of furniture and equipment acquired during the year was \$29,000 (1992 \$28,000).

**c) Short-Term Investments**

Short-term investments consist of units in Province of British Columbia Pooled Investment Portfolios. Units are carried at the lower of cost, adjusted by income attributed to the units, and market value. Income attributed to the units represents the unitholder's share of interest earned and realized upon sale of units.

**d) Donated Services**

The Province of British Columbia provides certain administrative services to the Foundation. No amounts are recorded in the financial records of the Foundation for these donated services as the cost of providing these services is determined to be not significant.

**3. CONTRIBUTIONS**

Contributions were received directly from the Lottery Fund prior to fiscal 1993.



**BRITISH COLUMBIA HEALTH RESEARCH FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 1993**

**4. DEFERRED CONTRIBUTIONS**

	<u>1993</u>	<u>1992</u>
Targeted research projects	\$5,808,793	\$5,917,365
Ministry of Advanced Education, Training and Technology	<u>260,345</u>	<u>260,345</u>
	<u>\$6,069,138</u>	<u>\$6,177,710</u>

The targeted research projects contribution represents funds received from the Ministry of Health and Ministry Responsible for Seniors for competitions which will be held in subsequent fiscal years. These projects are awarded on a one-time basis, and it may take up to one year before grants are awarded.

The Ministry of Advanced Education, Training and Technology contribution relates to grants paid to the Province under the Federal Patent Act. Contributions received by the Foundation are those amounts authorized by the Province for distribution to the Foundation. These funds are to be administered jointly by the Foundation and the Science Council of British Columbia.

**5. COMMITMENT**

If all existing scholarships are renewed for their remaining terms, the commitment required to fund them would be \$991,342 (1992 - \$2,059,476).



## British Columbia Heritage Trust

### AUDITORS' REPORT

To the Board of Directors,  
British Columbia Heritage Trust, and

To the Minister Responsible for Culture,  
Province of British Columbia

We have audited the balance sheet of British Columbia Heritage Trust as at March 31, 1993 and the statements of revenue and expenditure, heritage investment fund and changes in financial position for the year then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 2 to the financial statements.

Further, we have examined, on a test basis, transactions during the course of our examination of the financial statements of British Columbia Heritage Trust for the year ended March 31, 1993 to determine whether they were in compliance with the Heritage Conservation Act. In our opinion, these transactions were, in all material respects, in compliance with the Act.

*Deloitte & Touche*

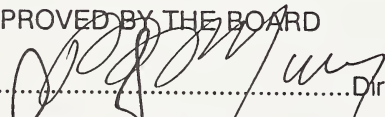

Chartered Accountants  
Victoria, B.C.  
May 18, 1993

## BRITISH COLUMBIA HERITAGE TRUST

BALANCE SHEET  
as at March 31, 1993

	1993	1992
<b>CURRENT ASSETS</b>		
Cash	\$ 265,874	\$ 327,389
Short-term investments		
(market value \$2,206,239; 1992 - \$3,242,953)	2,181,191	3,117,257
Accounts receivable	<u>27,100</u>	<u>49,587</u>
	2,474,165	3,494,233
<b>HERITAGE PROPERTIES (Note 3)</b>	<u>2,031,947</u>	<u>1,967,031</u>
	<u>\$4,506,112</u>	<u>\$5,461,264</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 60,123	\$ 46,504
Due to Province of British Columbia	<u>-</u>	<u>2,549</u>
	<u>60,123</u>	<u>49,053</u>
<b>HERITAGE INVESTMENT FUND</b>		
Invested in heritage properties	2,031,947	1,967,031
Committed to heritage projects	2,295,713	3,304,361
Uncommitted fund balance	<u>118,329</u>	<u>140,819</u>
	<u>4,445,989</u>	<u>5,412,211</u>
	<u>\$4,506,112</u>	<u>\$5,461,264</u>

APPROVED BY THE BOARD

 Director  
 Director

## BRITISH COLUMBIA HERITAGE TRUST

STATEMENT OF REVENUE AND EXPENDITURE  
year ended March 31, 1993

	1993	1992
Revenue		
Grant from the Province of British Columbia	\$2,020,000	\$2,550,000
Investment income	237,997	403,595
Miscellaneous revenue	<u>146,913</u>	<u>106,549</u>
	<u>2,404,910</u>	<u>3,060,144</u>
Expenditure		
Grants		
Archaeology	224,096	171,494
Building restoration	618,570	579,099
Community heritage development	90,868	140,077
Community heritage markers	9,455	18,371
Conferences and societies	33,237	132,588
Feasibility and assessment	41,338	-
Heritage Area Revitalization Program	226,270	342,050
Heritage conferences	3,500	-
Heritage planning	6,000	-
Historic landmarks	437,435	338,250
Planning and inventory	167,337	303,514
Provincial Heritage organizations	80,000	-
Publications assistance	83,954	45,000
Regional heritage development	118,233	129,430
Religious buildings	156,472	90,520
Scholarships	22,000	22,000
Special projects	124,102	60,906
Transportation artifacts	<u>29,290</u>	<u>14,804</u>
	<u>2,472,157</u>	<u>2,388,103</u>
Administration	148,737	178,884
Heritage Legacy Program	33,002	-
Education and communication	46,557	14,917
Community Pride Program	97,340	246,358
Site management expenses	<u>573,339</u>	<u>498,507</u>
	<u>898,975</u>	<u>938,666</u>
	<u>3,371,132</u>	<u>3,326,769</u>
EXCESS OF EXPENDITURE OVER REVENUE	\$ <u>966,222</u>	\$ <u>266,625</u>

## BRITISH COLUMBIA HERITAGE TRUST

STATEMENT OF HERITAGE INVESTMENT FUND  
year ended March 31, 1993

	<u>Invested in Heritage Properties</u>	<u>Committed to Heritage Projects</u>	<u>Uncommitted Fund Balance</u>	<u>Total</u>
Heritage Investment Fund, beginning of year	\$1,967,031	\$3,304,361	\$ 140,819	\$5,412,211
Excess of expenditure over revenue	-	-	(966,222)	(966,222)
Commitments made during the year net of grants paid and commitments revoked (Schedule)	-	(1,008,648)	1,008,648	-
Acquisition of heritage property assets	<u>64,916</u>	<u>-</u>	<u>(64,916)</u>	<u>-</u>
Heritage Investment Fund, end of year	<u>\$2,031,947</u>	<u>\$2,295,713</u>	<u>\$ 118,329</u>	<u>\$4,445,989</u>

## BRITISH COLUMBIA HERITAGE TRUST

STATEMENT OF CHANGES IN FINANCIAL POSITION  
year ended March 31, 1993

	1993	1992
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of expenditure over revenue	\$ (966,222)	\$ (266,625)
Changes in non-cash operating working capital items		
Accounts receivable	22,487	(49,087)
Accounts payable and accrued liabilities	<u>13,619</u>	<u>(28,328)</u>
	(930,116)	(344,040)
FINANCING		
Repayments to Province of British Columbia	<u>(2,549)</u>	<u>(2,903)</u>
INVESTING		
Acquisition of heritage properties	<u>(64,916)</u>	<u>(98,047)</u>
NET CASH OUTFLOW	(997,581)	(444,990)
CASH POSITION, BEGINNING OF YEAR	<u>3,444,646</u>	<u>3,889,636</u>
CASH POSITION, END OF YEAR	<u>\$2,447,065</u>	<u>\$3,444,646</u>
REPRESENTED BY:		
Cash	\$ 265,874	\$ 327,389
Short-term investments	<u>2,181,191</u>	<u>3,117,257</u>
	<u>\$2,447,065</u>	<u>\$3,444,646</u>

## BRITISH COLUMBIA HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS  
year ended March 31, 1993

## 1. DESCRIPTION OF THE TRUST

The British Columbia Heritage Trust is a Crown Corporation incorporated under the Heritage Conservation Act, R.S.B.C. 1979, Chapter 165, and is an agent of the Crown. The object of the Trust is to encourage and facilitate the protection and conservation of heritage property in the Province.

## 2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles and include the following significant accounting policies:

## Short-term investments

Short-term investments consist of units in Province of British Columbia Pooled Investment Portfolios and are recorded at the lower of cost and market value.

## Heritage properties

Costs incurred for the acquisition, restoration and upgrading of heritage property in excess of \$1,500 are capitalized. Expenditures which do not relate to restoration and upgrading are expensed in the year. In the current year, \$2,896 has been expensed in accordance with this policy (1992 - \$33,534). Donated property is recorded at the appraised value at the time of its receipt.

Due to the heritage nature of these properties, no provision is made for depreciation.

## Grant expenditures

Grants to approved projects are recorded as an expenditure in the year the disbursement is made.



## BRITISH COLUMBIA HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS  
year ended March 31, 1993

## HERITAGE PROPERTIES

	1993	1992
Land, buildings and furnishings		
Beach Grove	\$ 121,185	\$ 121,185
Hat Creek Ranch	896,531	876,031
Keremeos Grist Mill	662,167	635,130
Vallican Archaeological Site	82,080	82,080
Monte Creek	<u>41,000</u>	<u>41,000</u>
	<u>1,802,963</u>	<u>1,755,426</u>
Machinery and equipment		
C.P. Railway Business Car 19	47,041	47,041
Donated artifacts	161,943	144,564
B.X. Stagecoach	<u>20,000</u>	<u>20,000</u>
	<u>228,984</u>	<u>211,605</u>
	<u>\$2,031,947</u>	<u>\$1,967,031</u>

## RELATED PARTY TRANSACTIONS

During the year, the Trust had the following transactions with the Province of British Columbia:

- a) Received grants from the Province of British Columbia amounting to \$2,020,000 (1992 - \$2,550,000).
- b) Received certain staffing, accommodation and administrative services at no charge. The fair value of providing these services amounted to approximately \$456,000 (1992 - \$407,000).
- c) Earned income from its funds invested in the Pooled Investment Portfolio amounting to \$225,314 (1992 - \$378,596). In addition, the Trust paid the Provincial Treasury \$4,468 (1992 -\$7,053) for management of the Portfolio.



## BRITISH COLUMBIA HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS  
year ended March 31, 1993

## 5. COMMITMENTS

The Trust is committed under contracts for various professional services in 1994 for \$738,000.

The Trust had commitments for heritage grants totalling \$2,295,713 at March 31, 1993 (1992 - \$3,304,361) as set out in the attached schedule of commitments and disbursements of grants.

## 6. CONTINGENCY

The Province of British Columbia is a defendant in a land claims lawsuit which includes the Vallican property beneficially owned by the Trust.

As at the date of these financial statements, this lawsuit has not been resolved and the Trust is unable to determine the likelihood or amount, if any, of loss. If settlement of this litigation results in a loss to the Trust, it will be accounted for as a prior period adjustment.

## 7. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the current year's presentation.

BRITISH COLUMBIA HERITAGE TRUST

SCHEDULE OF COMMITMENTS AND DISBURSEMENTS OF GRANTS  
year ended March 31, 1993

Program	Commitments Beginning of Year	Commitments Made During Year	Grants Paid in Year	Commitments Revoked in Year	Commitments End of Year
Archaeology	\$ 237,534	\$ 76,074	\$ 224,096	\$ -	\$ 89,512
Building restoration	700,340	403,518	618,570	74,043	411,245
Community Heritage Development	82,021	87,040	90,868	21,655	56,538
Community Heritage Markers	31,685	210	9,455	18,000	4,440
Conferences and Societies	52,797	-	33,237	185	19,375
Feasibility and assessment	-	90,810	41,338	-	49,472
Heritage Area					
Revitalization Program	911,312	300,000	226,270	58,469	926,573
Heritage conferences program	-	3,960	3,500	-	460
Heritage planning program	-	62,000	6,000	-	56,000
Historic cemeteries program	5,225	3,500	2,350	-	6,375
Historic Landmarks	595,001	165,674	435,085	-	325,590
Planning and inventory	285,055	-	167,337	25	117,693
Provincial heritage organizations	-	80,000	80,000	-	-
Publications assistance	48,454	43,500	83,954	-	8,000
Regional heritage development	49,570	80,000	118,233	-	11,337
Religious buildings	157,616	114,960	156,472	10,124	105,980
Scholarships	-	22,000	22,000	-	-
Special projects	121,947	94,035	124,102	2,831	89,049
Transportation	25,804	25,280	29,290	3,720	18,074
	<u>\$3,304,361</u>	<u>\$1,652,561</u>	<u>\$2,472,157</u>	<u>\$ 189,052</u>	<u>\$2,295,713</u>

# British Columbia Housing and Employment Development Financing Authority



Auditor General of British Columbia

8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

## AUDITOR'S REPORT

(604) 387-6803  
Fax (604) 387-1230

*To the Members of the British Columbia Housing and  
Employment Development Financing Authority, and*

*To the Minister of Finance and Corporate Relations,  
Province of British Columbia:*

I have audited the balance sheet of the British Columbia Housing and Employment Development Financing Authority as at June 30, 1992 and the statement of revenue, expenditure and accumulated balance and statement of changes in financial position for the three month period then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at June 30, 1992 and the results of its operations and the changes in its financial position for the three month period then ended in accordance with generally accepted accounting principles.

A handwritten signature in cursive script, reading "George L. Morfitt".

George L. Morfitt, FCA  
Auditor General

Victoria, British Columbia  
October 30, 1992

## STATEMENT OF RESPONSIBILITY

To the Members of the  
British Columbia Housing and Employment  
Development Financing Authority

Responsibility for the integrity and objectivity of the accompanying financial statements rests with the Authority. The financial statements are prepared by the Provincial Treasury, Ministry of Finance and Corporate Relations in accordance with generally accepted accounting principles in a manner consistent with the previous year. Policies and procedures are designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded and financial records properly maintained to provide reliable financial statements.

The Auditor General of the Province of British Columbia conducts an independent examination, in accordance with generally accepted auditing standards, and provides an independent professional opinion on the financial statements.



Arn van Iersel  
Director  
Banking/Cash Management  
Provincial Treasury

Victoria, British Columbia  
December 3, 1992

## BRITISH COLUMBIA HOUSING AND EMPLOYMENT DEVELOPMENT

## FINANCING AUTHORITY

## BALANCE SHEET

AS AT JUNE 30, 1992

(Prepared immediately prior to dissolution - see Note 4)

## ASSETS

	June 30	March 31
	<u>1992</u>	<u>1992</u>
Cash and temporary investment	\$1,719,042	\$1,698,931
Due from the Province of British Columbia	<u>203</u>	<u>29</u>
	<u>\$1,719,245</u>	<u>\$1,698,960</u>

## LIABILITIES AND ACCUMULATED BALANCE

Accounts payable	\$ 363	\$ 223
Accrued interest payable	192,122	194,100
Term debt (note 3)	<u>598,800</u>	<u>604,600</u>
	791,285	798,923
Accumulated balance	<u>927,960</u>	<u>900,031</u>
	<u>\$1,719,245</u>	<u>\$1,698,960</u>

The four accompanying notes are an integral part of these financial statements.

Approved by the Authority:

  
 \_\_\_\_\_  
 Glen Clark, Chairman

  
 \_\_\_\_\_  
 Michael Costello, Secretary

## BRITISH COLUMBIA HOUSING AND EMPLOYMENT DEVELOPMENT

## FINANCING AUTHORITY

## STATEMENT OF REVENUE, EXPENDITURE AND ACCUMULATED BALANCE

FOR THE PERIOD FROM APRIL 1 TO JUNE 30, 1992

(Prepared immediately prior to dissolution - see Note 4)

	For 3 Months Ended June 30 <u>1992</u>	For 12 Months Ended March 31 <u>1992</u>
Revenue		
Investment income	\$ 28,805	\$141,876
Expenditure		
Administrative costs	<u>876</u>	<u>2,376</u>
Excess of Revenue over Expenditure	27,929	139,500
Accumulated Balance, Beginning of Year	<u>900,031</u>	<u>760,531</u>
Accumulated Balance, End of Year	<u>\$927,960</u>	<u>\$900,031</u>



## BRITISH COLUMBIA HOUSING AND EMPLOYMENT DEVELOPMENT

## FINANCING AUTHORITY

## STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE PERIOD FROM APRIL 1 TO JUNE 30, 1992

(Prepared immediately prior to dissolution - see Note 4)

	For 3 Months Ended June 30 1992	For 12 Months Ended March 31 1992
Operating Transactions		
Excess of Revenue over Expenditure	\$ 27,929	\$ 139,500
Changes in non-cash items:		
Accrued interest payable	1,984	16,650
Due from Province of British Columbia	174	(9,000)
Accounts payable	(140)	(10,000)
	<u>2,018</u>	<u>16,460</u>
Increase in Fund from Operating Transactions	25,911	123,030
Financing Transactions		
Redemption of term debt	<u>(5,800)</u>	<u>(43,500)</u>
Increase in Funds	<u>20,111</u>	<u>79,530</u>
Funds at Beginning of Year	<u>1,698,931</u>	<u>1,619,390</u>
Funds at End of Year	<u>\$1,719,042</u>	<u>\$1,698,930</u>

Funds consist of cash and temporary investment.



BRITISH COLUMBIA HOUSING AND EMPLOYMENT DEVELOPMENT  
FINANCING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD FROM APRIL 1 TO JUNE 30, 1992

(Prepared immediately prior to dissolution - see Note 4)

**The Authority**

The Authority was established on October 14, 1982 by the Housing and Employment Development Financing Act, S.B.C. 1982 Chapter 34. Section 3 of the Act states that "The purposes of the authority are to create employment by financing housing and other capital projects in British Columbia, and any other programs the committee considers advisable, and to raise money for those purposes by the issue of housing and development bonds".

All notes receivable and term debt have matured and no further debt issues are permissible under the Act.

**Significant accounting policies**

These financial statements are prepared on the basis of generally accepted accounting principles.

Temporary investment consists of units in Province of British Columbia Pooled Investment Portfolio ST1. These units are carried at the lower of cost of acquisition, adjusted by income attributed to the units, and market value.

Term debt	<u>June 30</u> <u>1992</u>	<u>March 31</u> <u>1992</u>
Unpresented debentures		
matured March 31, 1986	<u>\$598,800</u>	<u>\$604,600</u>

The Province of British Columbia has unconditionally guaranteed payment of principal and interest on the unpresented debentures of the Authority.

**Dissolution of the Authority**

Effective at the close of business on June 30, 1992, the Housing and Employment Development Financing Act was repealed pursuant to the Finance and Corporate Relations Statutes Amendment Act, approved by Order of the Lieutenant Governor in Council 1052 on June 25, 1992.

BRITISH COLUMBIA HOUSING AND EMPLOYMENT DEVELOPMENT  
FINANCING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD FROM APRIL 1 TO JUNE 30, 1992 (Con't)

(Prepared immediately prior to dissolution - see Note 4)

4. Dissolution of the Authority (con't)

On the repeal of the Act

- (a) the British Columbia Housing and Employment Development Financing Authority is dissolved and disestablished,
- (b) all of the rights, property and assets of the authority are transferred to and vested in the government, and
- (c) all of the debts, liabilities, obligations and covenants of the authority are transferred to and vested in the government.

Money required to be paid in respect of the debts, liabilities, obligations and covenants transferred to and vested in the government shall be paid out of the consolidated revenue fund.

**British Columbia Housing Management Commission****KPMG** Peat Marwick Thorne

Chartered Accountants

400 - 625 Agnes Street  
Queen's Court  
New Westminster, B.C.  
Canada V3M 5Y4Telephone (604) 526-2411  
Telefax (604) 520-6285**AUDITORS' REPORT**To the Chair  
British Columbia Housing Management Commission

We have audited the combined balance sheet of the Province of British Columbia, projects and programs managed by British Columbia Housing Management Commission (the Commission), as at December 31, 1992 and the combined statements of revenue and expenditures and Province's account and changes in financial position for the year then ended. These combined financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these combined financial statements present fairly, in all material respects, the financial position of the projects and programs managed by the Commission as at December 31, 1992 and the results of operations and the changes in financial position for the year then ended in accordance with generally accepted accounting principles.

*Peat Marwick Thorne*Chartered Accountants  
New Westminster, Canada

May 21, 1993

## PROVINCE OF BRITISH COLUMBIA

PROJECTS AND PROGRAMS  
MANAGED BY BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION**COMBINED BALANCE SHEET**  
AS AT DECEMBER 31

	<u>1992</u>	<u>1991</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 8,951,438	\$ -
Accounts receivable	5,671,095	6,175,847
Prepaid expenses and shelter supplement	6,317,133	5,166,172
Due from Canada Mortgage and Housing Corporation	2,830,315	3,961,640
Due from Province of British Columbia	<u>4,965,031</u>	<u>11,162,086</u>
	28,735,012	26,465,745
<b>LONG-TERM RECEIVABLES</b>		
	339,251	515,460
<b>DISASTER LOSS FUND (note 2)</b>	1,113,304	1,097,935
<b>EQUIPMENT (note 3)</b>	<u>269,394</u>	<u>22,967</u>
	<u><u>\$30,456,961</u></u>	<u><u>\$28,102,107</u></u>
<b>LIABILITIES AND PROVINCE'S ACCOUNT</b>		
<b>CURRENT LIABILITIES</b>		
Bank indebtedness	\$ -	\$12,710,149
Accounts payable and accrued liabilities	9,687,415	5,946,052
Tenants' prepaid rent	467,208	449,245
Due to Provincial Rental Housing Corporation (note 4)	10,993,080	219,277
Amortization payable	<u>-</u>	<u>115,521</u>
	21,147,703	19,440,244
<b>DISASTER LOSS RESERVE (note 2)</b>	1,113,304	1,097,935
<b>PROVINCE'S ACCOUNT</b>	<u>8,195,954</u>	<u>7,563,928</u>
	<u><u>\$30,456,961</u></u>	<u><u>\$28,102,107</u></u>

Approved by:

Chair

Member

See accompanying notes.

## PROVINCE OF BRITISH COLUMBIA

## PROJECTS AND PROGRAMS

MANAGED BY BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

**COMBINED STATEMENT OF REVENUE AND EXPENDITURES  
AND PROVINCE'S ACCOUNT  
YEARS ENDED DECEMBER 31**

	<u>1992</u>	<u>1991</u>
<b>Revenue:</b>		
Tenant rent	\$ 26,405,301	\$ 25,369,055
Sundry	<u>279,797</u>	<u>318,160</u>
	<u>26,685,098</u>	<u>25,687,215</u>
<b>Expenditures:</b>		
Amortization	14,225,353	14,225,353
Operating	15,731,617	15,111,858
Shelter supplement	70,076,114	54,431,846
Maintenance	4,728,926	4,932,107
Grants in lieu of taxes (note 5)	3,721,042	3,783,898
Administration	6,099,463	5,588,690
Modernization and improvement	7,227,277	7,303,769
Provincial programs	10,189,309	5,925,650
Working capital interest (note 6)	<u>1,031,170</u>	<u>1,043,542</u>
	<u>133,030,271</u>	<u>112,346,713</u>
Operating deficit	106,345,173	86,659,498
Interest income, net	<u>1,114,783</u>	<u>1,170,979</u>
Excess of expenditures over revenue	105,230,390	85,488,519
Less Canada Mortgage and Housing Corporation subsidy share	<u>60,774,824</u>	<u>50,435,733</u>
Net Provincial share of expenditures	44,455,566	35,052,786
Subsidy receipts	<u>45,087,592</u>	<u>35,090,669</u>
	632,026	37,883
Province's account, beginning of year	<u>7,563,928</u>	<u>7,526,045</u>
Province's account, end of year	<u><u>\$ 8,195,954</u></u>	<u><u>\$ 7,563,928</u></u>

See accompanying notes.

## PROVINCE OF BRITISH COLUMBIA

## PROJECTS AND PROGRAMS

MANAGED BY BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION  
YEARS ENDED DECEMBER 31

	<u>1992</u>	<u>1991</u>
<b>Cash (provided by) used for:</b>		
<b>Operating activities</b>		
Excess of expenditures over revenue	\$105,230,390	\$ 85,488,519
Deduct item not affecting cash:		
Depreciation	(49,892)	(60,500)
Changes in non-cash operating working capital:		
Accounts receivable	(504,752)	2,399,770
Prepaid expenses and shelter supplement	1,150,961	1,191,197
Due from Province of British Columbia	(6,197,055)	11,162,086
Accounts payable and accrued liabilities	(3,741,363)	(817,869)
Tenants' prepaid rent	(17,963)	(123,860)
Due to Provincial Rental Housing Corporation	(10,773,803)	671,045
Amortization payable	<u>115,521</u>	<u>-</u>
Cash applied to operations	<u>85,212,044</u>	<u>99,910,388</u>
<b>Investing activities</b>		
Additions to equipment	296,319	-
Long-term receivables	<u>(760)</u>	<u>-</u>
Cash applied to investing activities	<u>295,559</u>	<u>-</u>
<b>Financing activities</b>		
Subsidy receipts:		
Province of British Columbia	45,087,592	35,090,669
Canada Mortgage and Housing Corporation	61,906,149	46,939,793
Long-term receivables	<u>175,449</u>	<u>425,519</u>
Cash provided by financing activities	<u>107,169,190</u>	<u>82,455,981</u>
Increase (decrease) in cash position during the year	21,661,587	(17,454,407)
Cash position (bank indebtedness), beginning of year	<u>(12,710,149)</u>	<u>4,744,258</u>
Cash position (bank indebtedness), end of year	<u>\$ 8,951,438</u>	<u>\$(12,710,149)</u>

See accompanying notes.



## PROVINCE OF BRITISH COLUMBIA

## PROJECTS AND PROGRAMS

MANAGED BY BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

## NOTES TO COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 1992

## 1. SIGNIFICANT ACCOUNTING POLICIES

## a) General

These financial statements are prepared in accordance with generally accepted accounting principles which include the accrual basis of accounting.

## b) Basis of financial statement presentation

These statements combine seven separate financial statements of projects and programs operated by the Province of British Columbia (Ministry of Municipal Affairs, Recreation and Housing) and each has its own subsidy sharing agreement and is managed by the British Columbia Housing Management Commission (the Commission).

## c) Amortization

These statements do not include the capital cost of the projects, however, amortization on capital costs is in part payable to the Provincial Rental Housing Corporation and in part credited to Canada Mortgage and Housing Corporation based on schedules they provide.

## d) Tenant rent revenue

Tenant rent revenue represents rent charged to residents, and is determined as the lesser of market rent and a percentage of each resident's income.

## e) Equipment

All purchases are recorded as program operating expenditures, except for major purchases of computer hardware and software which are recorded at cost and depreciated on the straight line basis over five and three years respectively.

## 2. DISASTER LOSS FUND

This fund, financed by the Province of British Columbia and Canada Mortgage and Housing Corporation, provides for claims below the deductible amounts of insured properties and for uninsured losses.

	1992	1991
Balance, beginning of year	\$1,097,935	\$1,019,799
Additions	30,303	6,565
Interest earned	93,602	115,069
	1,221,840	1,141,433
Less claims expense	108,536	43,498
Balance, end of year	<u>\$1,113,304</u>	<u>\$1,097,935</u>



NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 1992 (CONTINUED)

3. EQUIPMENT

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>1992 Net book value</u>	<u>1991 Net book value</u>
Computer hardware	\$ 566,449	\$ 316,807	\$ 249,642	\$ -
Computer software	<u>269,452</u>	<u>249,700</u>	<u>19,752</u>	<u>22,967</u>
Balances, end of year	\$ 835,901	\$ 566,507	\$ 269,394	\$ 22,967
	=====	=====	=====	=====

4. DUE TO PROVINCIAL RENTAL HOUSING CORPORATION

The amount due to Provincial Rental Housing Corporation represents funds advanced for the acquisition and development of properties under the social housing programs.

5. GRANTS IN LIEU OF TAXES

The Commission, on behalf of the Province of British Columbia and Canada Mortgage and Housing Corporation, pays each municipality a grant equivalent to property taxes due for all residential properties and projects managed.

6. WORKING CAPITAL INTEREST

The Province of British Columbia, through its Wholly Provincial Projects and Programs account, provides working capital to the projects and programs managed by the Commission, at interest rates agreed to by the participants.

7. LEASE COMMITMENTS

The Commission has minimum rental obligations under operating leases for office space to be expensed over the next five years as follows:

\$890,000 in 1993, \$892,000 in 1994, \$807,000 in 1995, \$732,000 in 1996, and \$633,000 in 1997.

8. RELATED PARTY TRANSACTIONS

In the normal course of operations the Commission acquired goods and services from the Province of British Columbia and certain crown corporations, under prevailing trade terms.

9. COMPARATIVE INFORMATION

Certain 1991 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1992.

## British Columbia Hydro and Power Authority

### Report of the Auditors

The Lieutenant Governor in Council, Province of British Columbia:

We have audited the consolidated balance sheets of British Columbia Hydro and Power Authority as at March 31, 1993 and 1992 and the consolidated statements of operations, retained earnings and changes in financial position for the years then ended. These financial statements are the responsibility of British Columbia Hydro and Power Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of British Columbia Hydro and Power Authority as at March 31, 1993 and 1992 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.



Chartered Accountants  
Vancouver, British Columbia  
April 29, 1993



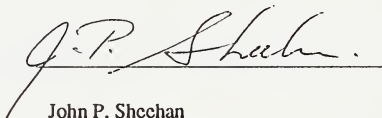
## Management Report

The consolidated financial statements of B.C. Hydro have been prepared by management in accordance with accounting principles generally accepted in Canada, consistently applied and appropriate in the circumstances. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations which have been made using careful judgement. The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in the notes to the consolidated financial statements. The consolidated financial statements have also been reviewed by the Audit and Budget Committee and approved by the Board of Directors. Financial information presented elsewhere in this Annual Report is consistent with that in the consolidated financial statements.

Management depends upon a system of internal controls in order to provide reasonable assurance, on a cost-effective basis, that financial information is reliable and accurate. This system includes formal written policies and procedures, the careful selection and training of qualified personnel, and an organizational structure that provides for the appropriate delegation of authority and segregation of responsibilities. This system is monitored through the performance of a comprehensive internal audit program. Our external auditors also independently perform such tests of the system of internal controls as they consider necessary for the purpose of expressing their opinion on the consolidated financial statements. The Audit and Budget Committee, which is comprised of directors who are not employees, meets regularly with representatives of the external auditors, the internal auditors and management in order to satisfy themselves that B.C. Hydro's system of internal controls is functioning properly.



Marc Eliesen  
*Chief Executive Officer*



John P. Sheehan  
*Senior Vice-President  
and Chief Financial Officer*



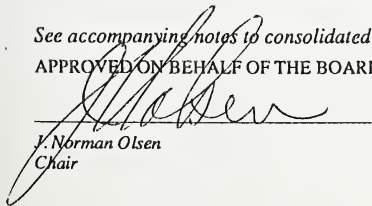
## BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

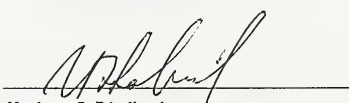
**Consolidated Balance Sheet**as at March 31  
(in millions)

	1993	1992
<b>ASSETS</b>		
<b>CAPITAL ASSETS (Note 9)</b>		
Capital assets in service	\$ 11,826	\$ 11,332
Less accumulated depreciation	3,283	3,129
	8,543	8,203
Unfinished construction	411	519
	8,954	8,722
<b>CURRENT ASSETS</b>		
Temporary investments	59	131
Accounts receivable and unbilled revenues	364	261
Materials and supplies	71	67
Prepaid expenses	85	68
	579	527
<b>DEFERRED CHARGES AND OTHER ASSETS</b>		
Loans receivable (Note 10)	123	122
Demand Side Management programs	158	108
Deferred debt costs (Note 11)	191	129
	472	359
	<u>\$ 10,005</u>	<u>\$ 9,608</u>
<b>LIABILITIES AND EQUITY</b>		
<b>LONG-TERM DEBT (Note 12)</b>	\$ 7,205	\$ 6,886
<b>CURRENT LIABILITIES</b>		
Accounts payable	294	299
Accrued interest	189	204
Payment to the Province	238	—
	721	503
<b>DEFERRED CREDITS AND OTHER LIABILITIES</b>		
Future removal and site restoration costs	32	26
Deferred revenue	92	80
Contributions arising from the Columbia River Treaty	295	304
Contributions in aid of construction	463	434
	882	844
<b>PREFERRED FUNDING (Note 7)</b>	—	235
<b>RETAINED EARNINGS</b>	1,197	1,140
	<u>\$ 10,005</u>	<u>\$ 9,608</u>

See accompanying notes to consolidated financial statements.

APPROVED ON BEHALF OF THE BOARD:

  
 J. Norman Olsen  
 Chair

  
 Harbans S. Dhaliwal  
 Vice-Chair


## BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

**Consolidated Statement of Operations***for the years ended March 31  
(in millions)*

	1993			1992		
	Domestic	Electricity Trade	Total	Domestic	Electricity Trade	Total
REVENUES (Note 2)						
Residential	\$ 744	\$ —	\$ 744	\$ 677	\$ —	\$ 677
General	718	—	718	667	—	667
Transmission	441	—	441	445	—	445
Other	103	172	275	113	170	283
	2,006	172	2,178	1,902	170	2,072
Cost of energy (Note 3)	288	93	381	235	82	317
GROSS MARGIN	1,718	79	1,797	1,667	88	1,755
EXPENSES						
Operations, maintenance and administration	397	—	397	373	—	373
Taxes	152	—	152	108	—	108
Depreciation and amortization (Note 4)	273	—	273	256	—	256
	822	—	822	737	—	737
INCOME BEFORE FINANCE CHARGES	896	79	975	930	88	1,018
Finance charges (Note 5)	674	—	674	617	—	617
NET INCOME	\$ 222	\$ 79	\$ 301	\$ 313	\$ 88	\$ 401

**Consolidated Statement of Retained Earnings***for the years ended March 31  
(in millions)*

	1993			1992
	Unappropriated	Rate Stabilization Account	Total	Total
Retained earnings, beginning of year as restated (Note 6)	\$ 1,140	\$ —	\$ 1,140	\$ 762
Net income	301	—	301	401
Appropriation to Rate Stabilization Account (Note 6)	(181)	181	—	—
	1,260	181	1,441	1,163
Less: Obligation on preferred funding (Note 7)	6	—	6	23
Payment to the Province (Note 8)	238	—	238	—
	244	—	244	23
Retained earnings, end of year	\$ 1,016	\$ 181	\$ 1,197	\$ 1,140

*See accompanying notes to consolidated financial statements.*

## BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

**Consolidated Statement of Changes in Financial Position**

for the years ended March 31  
(in millions)

	1993	1992
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 301	\$ 401
Depreciation and amortization (Note 4)	284	266
Other non-cash items	18	26
	<u>603</u>	<u>693</u>
Working capital changes	95	(72)
Funds provided by operating activities	<u>698</u>	<u>621</u>
<b>INVESTING ACTIVITIES</b>		
Capital asset expenditures	(520)	(550)
Contributions in aid of construction	54	51
Net proceeds from property sales	5	23
Loans receivable	(1)	(57)
Demand Side Management programs	(65)	(57)
Funds used for investing activities	<u>(527)</u>	<u>(590)</u>
<b>FINANCING ACTIVITIES</b>		
Bonds, notes and debentures		
- issued	1,302	1,165
- retired	(1,026)	(773)
Revolving borrowings	(258)	(733)
Sinking fund changes	127	93
Repurchased debt	79	4
Debt discount and issue costs	(41)	(13)
Term debenture repayment	—	225
Preferred funding (Note 7)	(235)	—
Proceeds from sale of financial instruments	47	—
Funds used for financing activities	<u>(5)</u>	<u>(32)</u>
<b>PAYMENT TO THE PROVINCE</b>	<u>(238)</u>	<u>—</u>
<b>DECREASE IN FUNDS</b>	<u>(72)</u>	<u>(1)</u>
<b>FUNDS AT BEGINNING OF YEAR</b>	<u>131</u>	<u>132</u>
<b>FUNDS AT END OF YEAR</b>	<u>\$ 59</u>	<u>\$ 131</u>

*Funds at beginning and end of year consist of temporary investments.  
See accompanying notes to consolidated financial statements.*





# Notes to Consolidated Financial Statements

*(tabular amounts expressed in millions of dollars unless otherwise stated)*

## **Note 1    Significant Accounting Policies**

British Columbia Hydro and Power Authority ("B.C. Hydro") is a Crown corporation of the Province of British Columbia (the "Province"). B.C. Hydro is regulated by the British Columbia Utilities Commission (the "Commission"). The accounting policies of B.C. Hydro conform to accounting principles generally accepted in Canada. A description of the significant accounting policies follows. See Notes 2, 6 and 8 regarding regulation.

### **Consolidation**

The consolidated financial statements include the financial statements of B.C. Hydro and all of its subsidiary companies. Principal subsidiaries of B.C. Hydro, all of which are wholly-owned, are Powertech Labs Inc., Western Integrated Technologies Inc., British Columbia Power Exchange Corporation, British Columbia Hydro International Limited, Power Smart Inc. and Columbia Estate Company, Limited. B.C. Hydro also has a 50% interest in Power Serv Pacific Inc. which is accounted for by the equity method.

### **Revenues**

Domestic revenues represent sales of energy to customers within the Province and sales of firm energy to those outside the Province (mainly Seattle and Point Roberts, Washington and Hyder, Alaska) with which B.C. Hydro has long-term commitments.

Electricity trade revenues are derived from energy sales other than those classified as domestic.

Customers are billed on a cyclical basis for energy deliveries with unbilled deliveries being accrued and included in revenues.

### **Pension Costs**

The current service cost of pension benefits for the year, determined on an actuarial basis in accordance with the terms of the pension plan agreement, is included in pension expense. Pension expense also includes amortization of the cost of past service benefits and plan enhancements, experience gains and losses and the initial net pension surplus existing in 1987 when the current accounting policy for pension costs was introduced. The amortization is on a straight-line basis over the expected average remaining service life of pension plan members. Pension fund investments are valued at market-related values.

### **Taxes**

Taxes include school taxes and grants paid to municipalities and the Province in lieu of general property taxes. Effective April 1, 1992, taxes also include Corporation Capital Tax.

### **Depreciation**

Depreciation is provided on all depreciable assets in service based on the average service life of the assets and is generally computed using the straight-line method.

### **Capital Assets**

Capital assets in service consist principally of land, water rights, storage dams and plant for the generation, transmission and distribution of electricity, and include the cost of plant financed by contributions in aid of construction and contributions arising from the Columbia River Treaty.

Capital assets are carried at cost which includes materials, direct labor and appropriate portions of engineering, administration and finance charges.





## BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

The costs of any capital development studies which are deferred for more than one year are amortized on a straight-line basis at 20% per annum during the deferral period. Capital projects which are deferred, but for which there is a reasonable probability of proceeding, have a provision made for any reduction in the value of project costs. The costs of capital development studies and capital projects which are abandoned or subject to indefinite postponement are written off, except where it is management's intention to recover the costs through future revenues, in which case the costs are amortized on a straight-line basis over the expected period of recovery.

***Finance Charges Capitalized***

Finance charges are capitalized on capital projects until they are placed in service at rates equivalent to the cost of borrowing.

***Temporary Investments***

Temporary investments are valued at the lower of cost and market value.

***Materials and Supplies***

Materials and supplies are valued at average cost less provisions for decline in value.

***Demand Side Management Programs***

Expenditures on Demand Side Management programs, which comprise Power Smart programs and other incentive programs, include materials, direct labor and applicable portions of administration charges, equipment costs, program advertising and incentives.

Expenditures on Power Smart programs are deferred and amortized on a straight-line basis over seven years, except for certain initial costs which are expensed as incurred. These initial costs are incurred to determine the ultimate feasibility of a project.

Incentives provided to assist in the construction of facilities for the production of energy by third parties are deferred and amortized on a straight-line basis over the period that benefits are received from the operation of the facilities.

***Foreign Currency Translation***

Long-term debt, sinking funds, current assets and current liabilities which are denominated in a foreign currency and are not hedged are translated into Canadian currency at the rate of exchange prevailing at the balance sheet date. United States currency liabilities which are hedged are converted at the rate established by the terms of the hedge instrument.

Unrealized gains and losses arising from the translation of long-term debt and sinking funds are deferred and amortized over the remaining term of the debt. The annual amortization is determined on a sum-of-the-years'-digits method, except that for the last four years the unamortized balance is written off on a straight-line basis. Foreign exchange gains and losses on current assets and current liabilities are included in income.

***Debt Discount and Issue Costs***

Discount and issue costs on bonds, notes and debentures are amortized on a straight-line basis over the term of the respective debt.

***Interest Rate Swap Agreements***

Interest rate differentials received or paid under interest rate swap agreements are included in finance charges. Gains and losses on terminated interest rate swaps are deferred and amortized over the original term of the swap.



### *Deferred Energy Costs*

Energy generation and purchase requirements are determined based on long-term system supply and demand projections. In any year, water flow conditions and weather patterns may result in the acquisition of energy to meet energy requirements. The cost of purchased energy is recorded in the deferred cost of energy account and charged to electricity trade based on volumes sold.

### *Sinking Funds*

Sinking funds are held by the Trustee, the Minister of Finance and Corporate Relations for the Province. Sinking fund income is recorded as a reduction of finance charges.

Individual sinking funds are either held separately or are participating unit-holders in a pooled sinking fund. The pooled sinking funds are recorded at market value. Realized and unrealized gains and losses arising in the pooled sinking fund are deferred and amortized to income over the weighted average term to maturity of the related bonds, notes and debentures.

### *Future Removal and Site Restoration Costs*

Future removal and site restoration costs are the costs of future removal and site restoration, less any residual or salvage value, arising on the retirement of capital assets. Annual provisions for these costs are charged to depreciation expense on a straight-line basis over the remaining service lives of the related capital assets. These costs are revised periodically in accordance with changes in the assumptions and estimates underlying the calculations, and with experience arising from the decommissioning of capital assets.

### *Deferred Revenue*

Deferred revenue consists principally of amounts received under the Skagit River Agreements. These amounts are deferred and included in income on an annuity basis over the energy delivery period ending in fiscal 2066.

### *Contributions*

Contributions in aid of construction are amounts received from certain customers toward the costs of the extension of services. These amounts are amortized over the estimated service lives of the related assets at an amount equal to the corresponding annual provision for depreciation. Contributions received in respect of unfinished construction are amortized once the assets are placed in service.

Contributions arising from the Columbia River Treaty are amortized over the period ending in fiscal 2025, the minimum term of the Treaty, at an amount equal to the corresponding annual provision for depreciation of the related assets.

### *Environmental Expenditures and Liabilities*

Environmental expenditures incurred as a result of the ongoing business activities of B.C. Hydro are expensed or capitalized as appropriate. Expenditures which relate to an existing condition caused by past activities are expensed, except where there are demonstrable future benefits attributable to the expenditure or it is management's intention to recover the costs through future revenues. Liabilities are recorded where the occurrence of an environmental expenditure, related to present or past activities of B.C. Hydro, is considered probable and the costs can be reasonably estimated.

### *Note 2 Regulation*

Under Orders in Council dated November 13, 1992, the Province issued Special Direction No. 2 to B.C. Hydro and Special Direction No. 8 to the Commission (the "Special Directions"). Under these new Special Directions, electricity rates are established by the Commission to allow B.C. Hydro to achieve an annual rate of return on equity equal to the return allowed on a pre-income tax basis by the most comparable investor-owned energy utility regulated by the Commission. Annual general electricity rate increases are limited to the projected rate of inflation plus two per cent.

Revenues include approved rate increases averaging 1.64% effective January 1, 1992 to recover an increase in water rental fees and 2.10% effective August 1, 1992 to recover the application of the Corporation Capital Tax to B.C. Hydro.



## BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

**Note 3 Cost of Energy**

	1993			1992		
	Electricity			Electricity		
	Domestic	Trade	Total	Domestic	Trade	Total
Water rentals	\$ 241	\$ —	\$ 241	\$ 211	\$ —	\$ 211
Other energy costs	47	93	140	24	82	106
	<u>\$ 288</u>	<u>\$ 93</u>	<u>\$ 381</u>	<u>\$ 235</u>	<u>\$ 82</u>	<u>\$ 317</u>

Water rentals are amounts levied by the Province on the use of water in hydroelectric generation. Other energy costs include fuel, purchased energy and the operating costs of the Burrard Thermal generating plant.

**Note 4 Depreciation and Amortization**

	<u>1993</u>	<u>1992</u>
Depreciation of capital assets in service	\$ 239	\$ 226
Amortization of capital development studies and projects	18	18
Provision for future removal and site restoration costs	11	13
Amortization of Demand Side Management programs	<u>16</u>	<u>9</u>
	284	266
Classified as operations, maintenance and administration	<u>(11)</u>	<u>(10)</u>
	<u>\$ 273</u>	<u>\$ 256</u>

**Note 5 Finance Charges**

	<u>1993</u>	<u>1992</u>
Interest on bonds, notes and debentures	\$ 822	\$ 816
Interest on revolving borrowings	56	106
Amortization of deferred debt costs:		
Foreign exchange gains and losses	4	2
Discount and issue costs	6	5
Gains on terminated interest rate swaps	(19)	—
Other	<u>—</u>	<u>5</u>
	869	934
Less income from:		
Interest on sinking funds	106	146
Gains on sinking fund reinvestments	15	59
Temporary investments	41	55
Gain on extinguishment of debt	<u>11</u>	<u>31</u>
	173	291
	696	643
Less finance charges capitalized	<u>22</u>	<u>26</u>
	<u>\$ 674</u>	<u>\$ 617</u>

The effective rate for finance charges capitalized to unfinished construction for fiscal 1993 was 9.0% (1992 — 11.0%).



**Note 6    *Prior Period Adjustment***

Under the new Special Directions (see Note 2) issued during the year, the Province revoked previous orders which resulted in the establishment of a Rate Stabilization Account in the 1992 fiscal year. This account was created by a charge to income totalling \$181 million which was recorded as a deferred credit on the Balance Sheet. The new Special Directions require the Rate Stabilization Account to be accounted for as equity and to be used to adjust the Payment to the Province (see Note 8).

Accordingly, fiscal 1992 income and retained earnings have been restated to eliminate the charge to income of \$181 million and the deferred credit on the Balance Sheet. During fiscal 1993, \$181 million of retained earnings was appropriated to reflect the intent of the new Special Directions.

**Note 7    *Preferred Funding***

The preferred funding of \$235 million provided by the Province was redeemed in full on July 30, 1992.

**Note 8    *Payment to the Province***

On February 18, 1993, Special Direction No. 2, dated November 13, 1992 was amended to make the Payment to the Province for the fiscal year ended March 31, 1993 equal to 85% of distributable surplus for the year, provided the debt:equity ratio of B.C. Hydro after deducting the payment is not greater than 80:20. If the payment results in the debt:equity ratio exceeding 80:20, then the payment will be reduced to maintain the ratio at 80:20. This payment is to be made by June 30, 1993.

As amended, Special Direction No.2 requires that for 1994 and subsequent fiscal years, subject to certain restrictions, amounts are to be charged or credited to the Rate Stabilization Account to adjust the Payment to the Province to equal 85% of distributable surplus for the year assuming the allowed rate of return approved by the Commission is achieved.

Special Direction No. 2 defines distributable surplus as consolidated net income adjusted for capitalized finance charges. Equity is defined as deferred credits and retained earnings. Debt is defined as revolving borrowings, bonds, notes and debentures, net of related sinking funds, temporary investments and repurchased debt.

Under an Order in Council dated June 25, 1992, a Payment to the Province for the year ended March 31, 1992 was not required in order to allow B.C. Hydro sufficient retained earnings to redeem in full the preferred funding (see Note 7).



## BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

**Note 9 Capital Assets**

	1993				1992			
	Capital Assets in Service			Unfinished Construction	Total Net Book Value	Composite Depreciation Rate	Total Net Book Value	Composite Depreciation Rate
	Original Cost	Accumulated Depreciation	Net Book Value					
Generation	\$ 5,116	\$ 1,180	\$ 3,936	\$ 91	\$ 4,027	1.47%	\$ 4,111	1.55%
Transmission	2,383	698	1,685	43	1,728	2.08	1,743	2.14
Transformation	1,393	492	901	52	953	3.30	950	2.88
Distribution	1,993	616	1,377	132	1,509	2.30	1,332	2.47
Buildings, furniture and equipment	822	245	577	93	670	5.47	523	7.41
Service vehicles	80	46	34	—	34	9.57	28	9.24
Research and development	39	6	33	—	33	3.27	35	3.20
Total	<u>\$11,826</u>	<u>\$3,283</u>	<u>\$8,543</u>	<u>\$411</u>	<u>\$8,954</u>		<u>\$8,722</u>	

**Note 10 Loans Receivable**

B.C. Hydro provided an interest-free loan of \$115 million (1992 - \$114 million) to a customer to assist in the construction of an electrical generating facility. The loan is secured by a charge on the facility and related land. The cost to B.C. Hydro of providing the interest-free loan is deferred and amortized on a straight-line basis over a 25-year period, beginning January 1993, the date operation of the facility commenced. The loan is expected to be repaid in fiscal 1996.

During fiscal 1992, B.C. Hydro sold its subsidiary Westech Information Systems Inc. (Westech). As part of the sale B.C. Hydro provided a loan to Westech of \$8 million. The loan is secured and bears interest at 10.5% per annum for a term of 10 years. Required payments for the first three years of the term are for interest only and for the final seven years are for blended payments of principal and interest.

**Note 11 Deferred Debt Costs**

	1993	1992
Foreign currency translation	\$ 133	\$ 71
Discount and issue costs	86	58
Gains on terminated interest rate swaps	(28)	—
	<u>\$ 191</u>	<u>\$ 129</u>





## BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

**Note 12 Long-Term Debt**

Bonds, notes and debentures payable, expressed in Canadian dollars, are summarized in the following table by years of maturity and by the currency in which they are payable:

	1993				1992	
	Canadian	United States	Total	Coupon Rate (1)	Total	Coupon Rate(1)
Maturing in:						
1993	\$ —	\$ —	\$ —	— %	\$ 422	10.4 %
1994	851	—	851	11.3	916	11.0
1995	157	—	157	9.9	257	9.0
1996	42	—	42	8.4	67	8.8
1997	50	—	50	8.5	50	8.5
1998	140	—	140	7.6	—	—
1 - 5 years	1,240	—	1,240	10.5	1,712	10.4
6 - 10 years	1,410	352	1,762	9.0	1,300	9.6
11 - 15 years	1,099	679	1,778	8.2	1,964	9.4
16 - 20 years	368	977	1,345	14.2	1,560	13.3
21 - 25 years	150	553	703	11.6	531	12.5
26 - 30 years	1,200	—	1,200	10.0	600	10.6
Bonds, notes and debentures	5,467	2,561	8,028	10.3	7,667	10.8
Less:						
Sinking funds	872	356	1,228		1,355	
Repurchased debt	—	372	372		461	
Net bonds, notes and debentures	4,595	1,833	6,428		5,851	
Revolving borrowings	774	3	777		1,035	
Long-term debt	<u>\$ 5,369</u>	<u>\$ 1,836</u>	<u>\$ 7,205</u>		<u>\$ 6,886</u>	

(1) Weighted average coupon rate.

B.C. Hydro's long-term debt comprises bonds, notes and debentures, almost all of which have annual sinking fund requirements, and revolving borrowings obtained under a borrowing agreement with the Province. Long-term debt is presented net of sinking funds and debt repurchased from the market. Repurchased debt includes related unamortized premiums or discounts.

During the year ended March 31, 1993, B.C. Hydro issued the following bonds and debentures:

Coupon Rate%	Effective Rate%	Series	Issue Date	Maturity Date	Principal
9.00	9.50	HQ	May 13, 1992	January 9, 2002	\$ 150
9.50	9.87	HT	June 9, 1992	June 9, 2022	100
Floating	Floating	HU	August 17, 1992	June 15, 2007	245 (U.S.\$205)
8.75	9.21	HV	August 19, 1992	August 19, 2022	200
7.00	7.22	HW	January 13, 1993	January 15, 2003	319 (U.S.\$250)
Floating	Floating	HX	February 5, 1993	February 5, 2003	38 (U.S.\$30)
7.00	7.33	HY	March 16, 1993	March 2, 1998	100
8.50	8.78	HZ	March 16, 1993	August 23, 2013	150
					<u>\$1,302</u>



## BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

Bonds and debentures in the principal amount of Cdn. \$138 million (1992 - Cdn. \$259 million) and U.S. \$200 million (1992 - U.S. \$75 million) matured during fiscal 1993. As well, in fiscal 1993, B.C. Hydro redeemed Cdn. \$392 million (1992 - Cdn. \$44 million) and U.S. \$200 million (1992 - U.S. \$175 million) of bonds under the terms of call provisions. During fiscal 1992, B.C. Hydro repurchased and cancelled Cdn. \$70 million of bonds. The gain of \$11 million (1992 - \$31 million) arising from these transactions has been included in finance charges.

During fiscal 1992, B.C. Hydro placed sufficient government guaranteed securities into an irrevocable trust to satisfy the scheduled interest and bond principal repayment requirements of Cdn. \$104 million.

*Guarantee by the Province of British Columbia*

B.C. Hydro's outstanding debt is either held or guaranteed as to principal, interest and premium, if any, by the Province.

*Sinking Funds for Bonds, Notes and Debentures*

	1993	1992
Sinking funds at beginning of year	\$ 1,355	\$ 1,448
Instalments	71	78
Interest income	106	146
Gain on reinvestments	7	59
Amortization of gains(1)	8	—
	192	283
Less:		
Debt repayments	(186)	(152)
Debt extinguishment and cancellation	(153)	(190)
Surpluses recovered	(2)	(32)
Foreign exchange adjustments	22	(2)
Net change in sinking funds	(127)	(93)
Sinking funds at end of year(2)	\$ 1,228	\$ 1,355

(1) Unamortized deferred gains as at March 31, 1993 are \$78 million, comprised of \$19 million realized and \$59 million unrealized.

(2) The unamortized deferred gains relating to the pooled sinking fund are offset against the market value of the fund. The market value of the pooled sinking fund as at March 31, 1993 is \$913 million.

*Repurchased Debt*

Repurchased debt comprises B.C. Hydro bonds, notes and debentures purchased from the market but not cancelled or otherwise extinguished.

*Revolving Borrowings*

Funds obtained under a borrowing agreement with the Province will be repaid either from the issue of bonds, notes or debentures or from further revolving borrowings which will be extended beyond the next fiscal year. They have, therefore, been classified as long-term debt. The borrowings under the agreement are unsecured, have an authorization limit of \$1.5 billion and bear interest at prevailing money market rates. Funds outstanding as at March 31, 1993 have a weighted average term to maturity of 137 days (1992 - 105 days) at a weighted average cost of 5.9% (1992 - 7.4%).





## BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

*Interest Rate Swap Agreements*

B.C. Hydro has entered into interest rate swap agreements that expire from fiscal 1994 to 1998 to exchange fixed-rate payments ranging from 7.00% to 12.75% to variable rates on Canadian dollar principal amounts aggregating \$850 million.

B.C. Hydro has entered into interest rate swap agreements that expire from 2002 to 2003 to exchange variable-rate interest payments on United States dollar principal amounts aggregating \$205 million to fixed-rate interest payments ranging from 7.03% to 7.29%.

B.C. Hydro has also entered into agreements that expire from 1995 to 1996 to convert fixed-rate United States dollar interest payments ranging from 12.50% to 15.50% to fixed-rate Canadian dollar interest payments ranging from 13.38% to 18.20% on principal amounts of U.S.\$400 million.

*Extinguished Debt*

As at March 31, 1993, a total of Cdn. \$501 million (1992 - Cdn. \$567 million) of debt comprising Cdn. \$216 million (1992 - Cdn. \$264 million) and U.S. \$236 million (1992 - U.S. \$252 million), together with related securities used to extinguish the debt, was removed from B.C. Hydro's consolidated balance sheet and is considered extinguished for financial reporting purposes.

*Cash Requirements*

Total maturity payments and sinking fund instalments on bonds, notes and debentures outstanding as at March 31, 1993, by year of payment, are disclosed in the following table. Cash requirements for United States dollar denominated debt are shown in United States dollars. As at March 31, 1993, there were 65 Canadian dollar (1992-99) and 10 United States dollar (1992-10) bond, note or debenture issues outstanding.

	Sinking Funds		Net Debt Maturities(1)		Total	
	Canadian	United States	Canadian	United States	Canadian	United States
1994	\$ 56	\$ 15	\$ 824	\$ —	\$ 880	\$ 15
1995	55	16	150	—	205	16
1996	54	15	3	—	57	15
1997	54	16	48	—	102	16
1998	50	15	88	—	138	15
1994 - 1998	269	77	1,113	—	1,382	77
1999 - 2003	199	75	543	248	742	323
2004 - 2008	79	65	171	98	250	163
2009 - 2013	51	48	132	224	183	272
2014 - 2018	39	—	82	140	121	140
2019 - 2023	21	—	(34)	—	(13)	—
	<u>\$ 658</u>	<u>\$ 265</u>	<u>\$2,007</u>	<u>\$ 710</u>	<u>\$2,665</u>	<u>\$ 975</u>

(1) Net debt maturities are determined after deducting sinking funds, including income thereon, estimated to be available at maturity. The estimated sinking fund income to maturity is based on assumed earnings of 8.25% on existing and future Canadian dollar sinking fund investments and 7.00% for United States dollar sinking fund investments.

None of the above cash requirements are considered current as at March 31, 1993 as management intends to finance the payments from the issue of bonds, notes or debentures or from further revolving borrowings which will be extended beyond the next fiscal year.



## BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

**United States Dollar Debt**

As at March 31, 1993, bonds, notes and debentures payable in United States dollars were U.S. \$2,070 million (1992 - U.S. \$1,985 million).

As at March 31, 1993, U.S. \$200 million (1992 - U.S. \$312 million) of debt was hedged with forward foreign exchange contracts and currency swaps. A further U.S. \$546 million (1992 - U.S. \$681 million) of debt was hedged by the holding of United States dollar denominated securities in sinking funds and repurchased debt. As a result of these transactions, as at March 31, 1993, B.C. Hydro had a net foreign currency exposure in United States dollar debt of U.S. \$1,324 million (1992 - U.S. \$992 million).

The March 31, 1993 United States dollar exchange rate used by B.C. Hydro was 79.54 United States cents per Canadian dollar (1992 - 84.04 United States cents).

**Redemption Provisions**

Certain B.C. Hydro debt held by the Canada Pension Plan Investment Fund and by the Minister of Finance and Corporate Relations for the Province contains provisions allowing holders to redeem the debt prior to maturity, in whole or in part, subject to certain restrictions. At March 31, 1993, this debt amounted to \$452 million (1992 - \$529 million) net of related sinking funds.

**Exchangeable Debt**

The 9.75% debentures, due May 15, 2001, in the principal amount of Cdn. \$300 million are exchangeable, for an equal principal amount of 9.95% debentures due May 15, 2021, at the holder's option during the period March 15 to April 15 of each year commencing 1996 through to 1999.

**Note 13 Pension Plan**

Employees of B.C. Hydro contribute to a jointly-funded pension plan which provides a defined benefit pension based on years of membership service and highest five-year average pensionable earnings. Contributions are also made under the plan to adjust pensions for annual cost-of-living increases (indexing) provided sufficient funds are available to support any increase. B.C. Hydro contributes amounts as prescribed by the actuary in respect of basic contributions and matches the employees' indexing contributions such that the funding approximates the current service cost of the pension plan.

Actuarial valuations are obtained to estimate the present value of the plan liability for pension benefits accrued to the date of the valuation. These actuarial liabilities are compared with the market-related value of the pension plan assets to determine whether a net pension surplus or deficit exists. As at March 31, 1993, the estimated present value of accrued pension benefits was \$985 million and the pension plan assets available for these benefits amounted to \$989 million, resulting in a surplus of \$4 million. The estimates are based upon a projection of actuarial valuation results as at December 31, 1991 with respect to accrued pension benefits and December 31, 1992 with respect to pension plan assets.

**Note 14 Commitments and Contingencies**

B.C. Hydro has entered into contracts to purchase energy from Independent Power Producers for up to 4 per cent of its annual energy requirements. The approximate minimum obligations to purchase energy under these contracts have a total net present value of \$1,034 million with actual payments as follows: 1994 - \$67, 1995 - \$92, 1996 - \$107, 1997 - \$108, 1998 - \$108 and 1999 to 2025 - \$2,057 million.

B.C. Hydro has rights to occupy aboriginal land under permits granted to B.C. Hydro by the Department of Indian Affairs. In one instance, this right has been contested and an initial judgement has brought the validity of the permit into question. B.C. Hydro is appealing the decision and including the Department of Indian Affairs in the appeal as a co-defendant and third party. The contingent liability, if any, for this and other permits is not determinable.

**Note 15 Comparative Information**

Certain amounts in the 1992 financial statements have been reclassified to conform to the presentation used in 1993.



**British Columbia Liquor Distribution Branch****Auditor General of British Columbia**

8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

**AUDITOR'S REPORT**

(604) 387-6803  
Fax (604) 387-1230

*To the Attorney General,  
Province of British Columbia:*

I have audited the balance sheet of the British Columbia Liquor Distribution Branch as at March 31, 1993 and the statements of income, changes in cash resources and changes in advance due to (from) Province of British Columbia for the year then ended. These financial statements are the responsibility of the Branch's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Branch as at March 31, 1993 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

A handwritten signature in dark ink, reading "George L. Morfitt".

George L. Morfitt, FCA  
*Auditor General*

*Victoria, British Columbia  
May 21, 1993*

**BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH  
BALANCE SHEET  
MARCH 31, 1993**

**ASSETS**

	1993 in thousands of dollars	1992 in thousands of dollars
<b>CURRENT ASSETS</b>		
Cash	\$9,200	\$7,527
Accounts receivable	5,846	5,630
Advance due from Province of B.C.	—	2,273
Inventories	50,781	47,798
Prepaid expenses	259	916
	<u>66,086</u>	<u>64,144</u>
<b>FIXED ASSETS, at cost (note 3)</b>	49,259	47,018
Less accumulated depreciation	42,341	39,793
	<u>6,918</u>	<u>7,225</u>
	<u><u>\$73,004</u></u>	<u><u>\$71,369</u></u>

**LIABILITIES**


<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$72,485	\$71,369
Advance due to Province of B.C.	519	—
	<u>\$73,004</u>	<u>\$71,369</u>
	<u><u>\$73,004</u></u>	<u><u>\$71,369</u></u>

Commitment and Contingent Items (notes 5 & 6)

The accompanying notes and supplementary statement are an integral part of these financial statements.

Approved By:

  
General Manager

  
Executive Director and  
Chief Financial Officer

**BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH  
STATEMENT OF INCOME  
FOR THE YEAR ENDED MARCH 31, 1993**

	1993 in thousands of dollars	1992 in thousands of dollars
	-----	-----
SALES (note 4)	\$1,369,425	\$1,301,574
LESS SALES DISCOUNTS	29,242	26,556
	-----	-----
	1,340,183	1,275,018
	-----	-----
COST OF MERCHANDISE SOLD	679,659	676,321
	-----	-----
GROSS MARGIN	660,524	598,697
OPERATING EXPENSES (Schedule)	150,488	147,315
	-----	-----
	510,036	451,382
	-----	-----
OTHER INCOME	7,090	4,165
	-----	-----
NET INCOME	\$517,126	\$455,547
	=====	=====

**BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH  
STATEMENT OF CHANGES IN ADVANCE  
DUE TO (FROM) PROVINCE OF B. C.  
FOR THE YEAR ENDED MARCH 31, 1993**

	1993 in thousands of dollars	1992 in thousands of dollars
	-----	-----
Balance due from at beginning of year	(\$2,273)	(\$1,653)
Net Income	517,126	455,547
Cash payments to Provincial Treasury	(514,334)	(456,167)
	-----	-----
BALANCE DUE TO (FROM) AT END OF YEAR	\$519	(\$2,273)
	=====	=====

The accompanying notes and supplementary statement are an integral part of these financial statements.



**BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH  
STATEMENT OF CHANGES IN CASH RESOURCES  
FOR THE YEAR ENDED MARCH 31, 1993**

	1993 in thousands of dollars	1992 in thousands of dollars
<b>OPERATING ACTIVITIES</b>		
Cash from Operations:		
Net Income	\$517,126	\$455,547
Amounts charged against income not requiring an outlay of cash:		
Depreciation	2,716	2,914
Gain on disposal of fixed assets	(63)	(110)
(Increase) in accounts receivable	(216)	(863)
(Increase) Decrease in inventory	(2,983)	5,590
Decrease in prepaid expenses	657	372
Increase in accounts payable	1,116	13,313
<b>Net cash provided by operating activities</b>	<b>518,353</b>	<b>476,763</b>
<b>FINANCING ACTIVITY:</b>		
Cash payments to Provincial Treasury	(514,334)	(456,167)
<b>INVESTING ACTIVITIES:</b>		
Acquisition of fixed assets	(2,419)	(1,957)
Proceeds on disposal of fixed assets	73	110
<b>Net cash used by investing activities</b>	<b>(2,346)</b>	<b>(1,847)</b>
<b>INCREASE IN CASH</b>	<b>1,673</b>	<b>18,749</b>
<b>CASH (BANK INDEBTEDNESS) AT BEGINNING OF YEAR</b>	<b>7,527</b>	<b>(11,222)</b>
<b>CASH AT END OF YEAR</b>	<b>\$9,200</b>	<b>\$7,527</b>

The accompanying notes and supplementary statement are an integral part of these financial statements.



**British Columbia Liquor Distribution Branch**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended March 31, 1993**

**1. REPORTING ENTITY**

The Liquor Distribution Branch (the Branch) obtains its authority for operation from the B.C. Liquor Distribution Act which is administered by the Ministry of Attorney General. As stated in Section 2 of this Act, the Liquor Distribution Branch has the exclusive right to purchase liquor for resale and reuse in the Province in accordance with the provisions of the Importation of Intoxicating Liquors Act (Canada).

**2. SIGNIFICANT ACCOUNTING POLICIES**

As prescribed by Section 18 of the Liquor Distribution Act, the financial statements of the Liquor Distribution Branch are prepared in accordance with generally accepted accounting principles.

Significant accounting policies are as follows:

**(a) INVENTORIES**

The Branch's liquor inventories are valued at Duty Paid Value which comprises supplier invoiced value, freight, duties and taxes.

The Branch has changed the valuation of its in-bond liquor inventory currently warehoused in the Province to a Duty Paid Value basis, rather than showing duty payable as a commitment of the Branch. Accordingly, the comparative inventory and accounts payable figures have been increased by \$3.7 million.

**(b) FIXED ASSETS**

Fixed assets are stated at cost and are depreciated on a straight line basis as follows:

Buildings	- 7.5% per annum
Leasehold Improvements	- a minimum of 10% per annum or a rate sufficient to write off the cost over the remaining life of the respective lease.
Furniture, Fixtures, Vehicles and Equipment	- 25% per annum.

# British Columbia Liquor Distribution Branch

## NOTES TO THE FINANCIAL STATEMENTS For the year ended March 31, 1993

### 3. FIXED ASSETS

	1993 (in thousands of dollars)		1992 (in thousands of dollars)	
	Cost	Accumulated Depreciation	Net book Value	Net book Value
Land	\$ 1,116	\$ -	\$1,116	\$1,116
Buildings	11,494	10,425	1,069	1,616
Leasehold Improvements	4,759	4,742	17	184
Furniture, Fixtures				
Vehicles & Equipment	<u>31,890</u>	<u>27,174</u>	<u>4,716</u>	<u>4,309</u>
	<u>\$49,259</u>	<u>\$42,341</u>	<u>\$6,918</u>	<u>\$7,225</u>

### 4. SALES

Total sales as reported include sales to retail customers, licensed establishments, licensee retail stores and agency stores. These figures do not include subsequent resale by licensed establishments, licensee retail stores and agency stores.

### 5. COMMITMENTS

Future commitments for leased premises for the next five years are as follows:

Year ended March 31, 1994	\$13.5 million
1995	13.2
1996	13.0
1997	11.2
1998	9.5
Subsequent Years	<u>36.0</u>
TOTAL	<u>\$96.4</u> million

**British Columbia Liquor Distribution Branch****NOTES TO THE FINANCIAL STATEMENTS  
For the year ended March 31, 1993****6. CONTINGENT ITEMS****(a) Agents' Stocking Program**

The Liquor Distribution Branch has authorized suppliers' agents to import and warehouse liquor for subsequent purchase by the Branch. Under this program, the Liquor Distribution Branch has a contractual obligation to purchase all inventories held by the agent should the agent opt out of the program. As at March 31, 1993, the value of agents' inventories totalled approximately \$28.9 million (1992 - \$31.3 million) and the future liability for related federal excise taxes is \$9.5 million (1992 - \$10.3 million).

**(b) Airline claims**

The Liquor Distribution Branch is involved in two Supreme Court of British Columbia actions for the return of all Provincial mark-up amounts paid. Canadian Airlines International Ltd. and Air Canada and their respective predecessor companies are alleging that all monies paid to date to the Liquor Distribution Branch were "paid under a unilateral mistake of law". The Liquor Distribution Branch has defended these actions and does not believe they have merit. The liability of the Liquor Distribution Branch, if any, under these two claims is not determinable with any degree of accuracy at this time.

**7. SUPERANNUATION FUND**

The Liquor Distribution Branch is an approved employer under the Pension (Public Service) Act. Eligible employees of the Liquor Distribution Branch contribute to the Public Service Superannuation Fund at a rate of 5.5% of pensionable salary up to the year's maximum pensionable earnings as defined in the Canada Pension Plan and at a rate of 7% of pensionable salary in excess of the year's maximum pensionable earnings. An additional 1.25% of pensionable salary is deducted and used to finance the payment of inflation adjustment supplements. In addition to matching the employees' contributions, the Liquor Distribution Branch contributes an additional 2.5% of pensionable salary for basic pension benefits.

An actuarial evaluation of the Public Service Superannuation Fund was made at March 31, 1990. Details of the unfunded liability of \$441 million are described in the Public Service Superannuation Fund financial statements included in the Public Accounts.

**British Columbia Liquor Distribution Branch****NOTES TO THE FINANCIAL STATEMENTS  
For the year ended March 31, 1993****8. SUBSEQUENT EVENTS**

An agreement between Canada and the United States to implement a General Agreement for Tariffs and Trade (GATT) panel decision requires the Liquor Distribution Branch to allow for the private delivery of imported beer on October 1, 1993. The financial impact of these changes is not determinable at this time.

**9. RELATED PARTY TRANSACTIONS**

The Liquor Distribution Branch has been mandated to use B.C. Systems Corporation for its mainframe data processing and systems maintenance, and for most of its telephone communications services. In 1993, B.C. Systems Corporation was paid \$10,067,567 for these services (1992 - \$9,490,512)

**10. COMPARATIVE FIGURES**

Certain of the prior year's figures have been reclassified to conform with the presentation adopted for the current year.

**BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH  
SCHEDULE OF OPERATING EXPENSES  
FOR THE YEAR ENDED MARCH 31, 1993**

	<b>1993</b> in thousands of dollars	<b>1992</b> in thousands of dollars
	-----	-----
Salaries, wages and benefits	\$102,220	\$98,499
Rents	17,918	17,938
Data Processing	9,244	9,086
Repairs and Maintenance	3,766	4,278
Freight to Stores	3,426	3,642
Depreciation	2,716	2,914
Light, Water and Fuel	2,507	2,122
Other Operating Expenses	1,773	1,835
Printing, Stationery and Postage	1,513	1,602
Telephone	1,485	1,507
Merchandising	1,160	1,203
Travelling	1,063	939
Bank charges	773	808
Loss Prevention	608	600
Warehouse Equipment Costs	316	342
	-----	-----
	\$150,488	\$147,315
	=====	=====

The accompanying notes are an integral part of these financial statements.

**British Columbia Lottery Corporation****KPMG** Peat Marwick Thorne

Chartered Accountants

500 - 275 Lansdowne Street  
Kamloops, British Columbia  
Canada V2C 1X8Telephone (604) 372-5581  
Telefax (604) 828-2928**AUDITORS' REPORT**To the Directors of  
British Columbia Lottery Corporation

We have audited the consolidated balance sheet of British Columbia Lottery Corporation as at March 31, 1993 and the consolidated statements of income, amounts due to the Province of British Columbia, and changes in financial position for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles. As required by the Company Act, (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

*Peat Marwick Thorne*

Chartered Accountants

Kamloops, Canada  
May 26, 1993



# BRITISH COLUMBIA LOTTERY CORPORATION

## Consolidated Balance Sheet

March 31, 1993, with comparative figures for 1992

(in thousands of dollars)

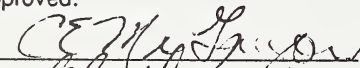
	1993	1992
<b>Assets</b>		
Cash:		
Prize funds	\$ 42,169	\$ 36,857
Other	4,442	10,973
Accounts receivable (note 3)	9,996	13,731
Prepaid expenses	2,780	3,665
Capital assets (note 4)	19,766	8,215
	<b>\$ 79,153</b>	<b>\$ 73,441</b>

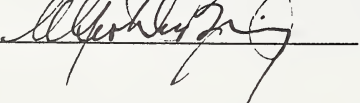
## Liabilities

Prizes payable	\$ 42,169	\$ 36,857
Payable to Interprovincial Lottery Corporation	7,919	5,004
Accounts payable and accrued liabilities	14,739	5,826
Long-term debt (note 5)	5,110	5,204
Due to Province of British Columbia	9,216	20,550
	<b>\$ 79,153</b>	<b>\$ 73,441</b>

See accompanying notes to consolidated financial statements.

Approved:

 Director

 Director

**BRITISH COLUMBIA LOTTERY CORPORATION****Consolidated Statement of Income**

Year ended March 31, 1993, with comparative figures for 1992

(in thousands of dollars)

	1992/93	1991/92
Sales (note 6)	\$ 738,485	\$ 676,411
Direct expenses:		
Prizes	370,068	337,791
Retailer commissions	48,519	37,627
Ticket printing and bingo paper	14,706	13,883
Payments to Community Group Licensees (note 7)	—	8,562
	433,293	397,863
Sales less direct expenses	305,192	278,548
Operating expenses:		
Data processing and network	13,590	13,099
Depreciation	13,535	4,071
Advertising, draws and promotions	16,946	14,711
Sales	5,633	5,207
Administration	14,317	13,922
Goods and services tax	12,271	8,515
Less: Interest and other income	(4,098)	(5,820)
	72,194	53,705
Net income	\$ 232,998	\$ 224,843
Allocation of net income:		
Province of British Columbia	\$ 227,025	\$ 219,032
Government of Canada (note 8)	5,973	5,811
	\$ 232,998	\$ 224,843

See accompanying notes to consolidated financial statements.

# BRITISH COLUMBIA LOTTERY CORPORATION

## Consolidated Statement of Amounts Due to Province of British Columbia

Year ended March 31, 1993, with comparative figures for 1992

(in thousands of dollars)

	1992/93	1991/92
Balance, beginning of year	\$ 20,550	\$ 14,622
Net income	232,998	224,843
	253,548	239,465
Payments to Province of British Columbia	238,359	213,104
Payments to Government of Canada	5,973	5,811
	244,332	218,915
Due to Province of British Columbia	\$ 9,216	\$ 20,550

See accompanying notes to consolidated financial statements.

# BRITISH COLUMBIA LOTTERY CORPORATION

## Consolidated Statement of Changes in Financial Position

Year ended March 31, 1993, with comparative figures for 1992

(in thousands of dollars)

	1992/93	1991/92
Cash provided by (used in):		
Operations:		
Net income	\$ 232,998	\$ 224,843
Depreciation, which does not involve cash	13,535	4,071
	246,533	228,914
Change in non-cash operating items:		
Accounts receivable	3,735	(1,668)
Prepaid expenses	885	(725)
Prizes payable	5,312	5,066
Payable to Interprovincial Lottery Corporation	2,915	(2,198)
Accounts payable and accrued liabilities	8,913	(3)
Deferred revenue	—	(3,715)
Due to Government of Canada	—	(1,430)
	268,293	224,241
Financing:		
Payments to Province of British Columbia	(238,359)	(213,104)
Payments to Government of Canada	(5,973)	(5,811)
Reduction of long-term debt	(94)	(41)
	(244,426)	(218,956)
Investments:		
Additions to capital assets	(25,086)	(4,433)
	(25,086)	(4,433)
Increase (decrease) in cash	(1,219)	852
Cash, beginning of year	47,830	46,978
Cash, end of year	\$ 46,611	\$ 47,830

See accompanying notes to consolidated financial statements.

# BRITISH COLUMBIA LOTTERY CORPORATION

## Notes to Consolidated Financial Statements

Year ended March 31, 1993

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### 1. Nature of the Corporation:

The British Columbia Lottery Corporation was incorporated pursuant to the Company Act of British Columbia on October 25, 1984.

The Province has designated the Corporation as the authority to conduct and manage lottery games within British Columbia and to co-operate in the conduct and marketing of national and regional games with other Provinces of Canada.

The Daily, Instant, BC/49, BC KENO, EXTRA, Sport Lottery and Breakopen games are conducted solely by the Corporation in the Province of British Columbia. In addition, the Corporation is the sole distributor of Bingo paper in the Province of British Columbia.

The Corporation is the regional marketing organization for the PROVINCIAL, SPECIAL EVENT GAME, and LOTTO 6/49 games in British Columbia. These games are joint undertakings by all provinces acting through the Interprovincial Lottery Corporation. The Interprovincial Lottery Corporation is incorporated under the Canada Business Corporations Act, and its shares are held by Her Majesty The Queen in right of the respective provinces.

### 2. Significant accounting policies:

The financial statements of the Corporation have been prepared in accordance with generally accepted accounting principles.

#### (a) Consolidation:

The consolidated financial statements include B.C. Lottotech International Inc., a wholly owned subsidiary of the British Columbia Lottery Corporation.

#### (b) Capital assets:

The Corporation's policy on capital purchases is that any major purchase which has a future useful life beyond the current year and which will materially affect income in the year purchased, will be capitalized. These purchases include the cost of Kamloops office building, leasehold improvements, furniture and equipment for the Corporation's offices in Kamloops, Richmond and Victoria, major computer equipment purchases, all on-line gaming terminals, all components of the Corporation's sign and fixture program for placement at the on-line game retailers' locations and corporate owned kiosks.

**BRITISH COLUMBIA LOTTERY CORPORATION**

Notes to Consolidated Financial Statements, page 2

Year ended March 31, 1993

**2. Significant accounting policies (continued):****(b) Capital assets (continued):**

The Corporation's capital assets are recorded at their original cost and are depreciated on a straight-line basis according to their estimated useful lives, as follows:

Asset	Rate
Building	5 years
Leasehold improvements	5 years
Furniture and equipment	5 years
Computer equipment	3 years
On-line gaming terminals	3 years
Breakopen vending machines	3 years
Signs and fixtures:	
Computer	3 years
Non-computer	5 years

**(c) Free tickets:**

Sales are reduced by the retail value of free tickets redeemed by the retailers.

**(d) Revenue recognition:**

Revenue and expenses relating to draws held during the year ended March 31, 1993 are included in the statement of income on an accrual basis. Receipts from the sale of lottery tickets related to draws held subsequent to March 31, 1993 are included in the statement of income in the period the ticket is sold. The associated selling costs and prize expenses are also included in the statement of income in the period the ticket is sold.

**(e) Prize expenses:**

The Corporation provides for prize expenses at approximately 50% of sales for all British Columbia games to fund expected prize payouts.

All unclaimed prizes from British Columbia lottery games are retained in a prize fund for one year from the announced date of the draw. Unclaimed prizes remaining after the one year claiming period are used for bonus prizes and bonus draw promotions in subsequent draws.

Prize expenses for Interprovincial Lottery Corporation games are British Columbia's proportionate share of prizes funded which is based on the number of tickets sold.



**BRITISH COLUMBIA LOTTERY CORPORATION**

Notes to Consolidated Financial Statements, page 3

Year ended March 31, 1993

**3. Accounts receivable (in thousands of dollars):**

		1993		1992
Retailers	\$	9,491	\$	12,559
Other		505		1,172
	\$	9,996	\$	13,731

**4. Capital assets (in thousands of dollars):**

			1993	1992
	Cost	Accumulated depreciation	Net	Net
Land	\$ 700	\$ —	\$ 700	\$ 700
Building and leasehold improvements	19,981	17,492	2,489	3,920
Furniture and equipment	2,947	2,890	57	113
Central system computer	14,810	12,634	2,176	2,111
On-line gaming terminals	34,206	22,100	12,106	1,237
Breakopen vending machines	3,033	1,011	2,022	—
Signs and fixtures	3,187	2,971	216	134
	\$ 78,864	\$ 59,098	\$ 19,766	\$ 8,215

**5. Long-term debt (in thousands of dollars):**

	1993	1992
CIBC Mortgage Corporation, payable in monthly instalments of \$ 52,651 including interest at 9.14%, secured by land and building and a general assignment of rental income, due June 1, 1997	\$ 5,110	\$ 5,204
	\$ 5,110	\$ 5,204

Principal payments due within each of the next five years are approximately as follows:

1994	\$ 184
1995	201
1996	220
1997	241
1998	4,264

**BRITISH COLUMBIA LOTTERY CORPORATION**

Notes to Consolidated Financial Statements, page 4

Year ended March 31, 1993

**6. Sales (in thousands of dollars):**

	1992/93	1991/92
Mass market games:		
Lotto BC	\$ —	\$ 15,267
Extra	43,353	35,799
BC/49	86,265	18,090
Instant	145,226	136,363
6/49	276,317	286,143
	551,161	491,662
Niche Games:		
Express	—	247
BC Keno	17,681	20,613
Sport lottery	26,252	23,372
The Daily	1,836	4,622
Provincial	10,708	12,410
Special event	7,110	11,370
	63,587	72,634
Social games:		
Bingo paper	4,143	4,063
Breakopen	119,593	108,052
	123,736	112,115
	\$ 738,484	\$ 676,411

**7. Payments to Community Group Licensees:**

The Community Group Licensee program was cancelled on March 12, 1992.

**8. Payments to Government of Canada:**

The Interprovincial Lottery Corporation makes inflation adjusted payments to the Government of Canada as a result of an agreement between the provincial governments and the Government of Canada on the withdrawal of the Government of Canada from the lottery field. The Corporation remits British Columbia's share of the above payments to the Interprovincial Lottery Corporation. Payments under this agreement are estimated to be \$ 6.2 million for the next fiscal year ending March 31, 1994.

**BRITISH COLUMBIA LOTTERY CORPORATION**

Notes to Consolidated Financial Statements, page 5

Year ended March 31, 1993

**9. Interprovincial Lottery Corporation Expenses and Interest Revenue:**

Interprovincial Lottery Corporation prize and ticket printing costs are recognized in the appropriate category of direct expenses. The Corporation's share of the Interprovincial Lottery Corporation's interest income less operating expenses is included in interest and other income. For the year ended March 31, 1993, the Corporation's portion of operating expenses for I.L.C. exceeded income by \$ 29,255. In 1992 the Corporation's portion of interest income exceeded operating expenses by \$ 182,736.

**10. Lease obligations:**

Long-term office space leases will expire as follows:

Richmond  
Victoria

April 30, 1995  
June 30, 1994

Aggregate minimum annual rental payments to the end of the lease terms are approximately as follows:

1993-1994	\$ 578,000
1994-1995	518,000
1995-1996	<u>42,000</u>
	<u>\$ 1,138,000</u>

**11. Pension plan:**

The market value of pension plan assets as at March 31, 1993 is approximately \$ 7.7 million. The latest available actuarial valuation of the pension plan was performed as at March 31, 1991. The valuation revealed that the plan had a funding excess of \$ 628,000 as at March 31, 1991.

**12. Commitments:**

During the year the Corporation committed to sponsorship of the Victoria Commonwealth Games. At March 31, 1993 the outstanding commitment was \$ 1.2 million.

**British Columbia Petroleum Corporation****WOLRIGE · MAHON**

Chartered Accountants

**AUDITORS' REPORT**

To the Lieutenant-Governor in Council  
Province of British Columbia:

We have audited the consolidated balance sheet of the British Columbia Petroleum Corporation as at March 31, 1993, and the consolidated statements of revenue, expenditure and surplus and changes in financial position for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles. As required by the Company Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

WOLRIGE MAHON

A handwritten signature in cursive script, reading 'Wolrige Mahon'. The ink is dark and the signature is fluid, with the first and last names clearly legible.

Chartered Accountants

VANCOUVER, B.C.

May 14, 1993

Member of Summit International Associates, Inc.

Ninth Floor, Commerce Place, 400 Burrard Street, Vancouver, British Columbia V6C 3B7  
Telephone (604) 684-6212 Facsimile (604) 688-3497

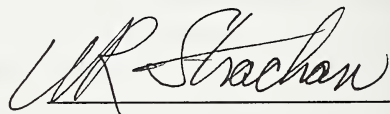
**BRITISH COLUMBIA PETROLEUM CORPORATION****CONSOLIDATED BALANCE SHEET**

March 31, 1993

	1993 \$	1992 \$
<b>ASSETS</b>		
Current		
Cash	101,172	1,053,086
Accounts receivable	2,714,228	3,206,110
Prepaid expenses	1,708	1,489
	<u>2,817,108</u>	<u>4,260,685</u>
Capital assets (Note 4)	173,127	216,197
	<u>2,990,235</u>	<u>4,476,882</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued charges	2,123,938	3,440,883
Surplus	866,297	1,035,999
	<u>2,990,235</u>	<u>4,476,882</u>

Commitments (Note 6)

Approved by Directors:

**BRITISH COLUMBIA PETROLEUM CORPORATION**  
**CONSOLIDATED STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS**  
For the year ended March 31, 1993

	1993 \$	1992 \$
Revenue		
Natural gas deliveries (Note 3)	21,969,417	46,391,170
B.C. Levy revenue (Note 2)	2,214,440	2,635,227
Interest (Note 5)	93,946	116,368
	<u>24,277,803</u>	<u>49,142,765</u>
Expenditure		
Natural gas purchases (Note 3)	21,969,417	46,391,170
Administrative and general expenses	968,088	957,655
	<u>22,937,505</u>	<u>47,348,825</u>
Excess revenue over expenditure	1,340,298	1,793,940
Surplus at beginning of year	1,035,999	752,059
	<u>2,376,297</u>	<u>2,545,999</u>
Deduct: Transfers to Provincial Treasury	1,510,000	1,510,000
Surplus at end of year	866,297	1,035,999



**BRITISH COLUMBIA PETROLEUM CORPORATION**  
**CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION**  
For the year ended March 31, 1993

	1993 \$	1992 \$
Operating activities		
Operations		
Excess revenue over expenditure	1,340,298	1,793,940
Add items not involving a flow of cash		
- amortization	64,860	34,951
- loss on disposal of capital assets	1,008	-
Cash from operations	1,406,166	1,828,891
Changes in non-cash working capital		
Accounts receivable and prepaid expenses	491,663	2,540,165
Accounts payable and accrued charges	(1,316,945)	(3,138,870)
Transfers to Provincial Treasury	(1,510,000)	(1,510,000)
	(929,116)	(279,814)
Investing activities		
Capital additions	(23,199)	(90,830)
Proceeds from sale of capital assets	401	-
	(22,798)	(90,830)
Decrease in cash position during the year	(951,914)	(370,644)
Cash position at beginning of year	1,053,086	1,423,730
Cash position at end of year	101,172	1,053,086

**BRITISH COLUMBIA PETROLEUM CORPORATION****CONSOLIDATED NOTES**

For the year ended March 31, 1993

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**Note 1 Statutory Requirements**

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The British Columbia Petroleum Corporation was established by the **Petroleum Corporation Act, 1973**.

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**Note 2 Significant Accounting Policies**

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**Consolidation**

The British Columbia Petroleum Corporation financial statements include the accounts of the Corporation's subsidiary, B.C. Petroleum (Kitimat) Ltd.

**Amortization**

Furniture, equipment and automobiles are recorded at cost and amortization is provided at rates considered adequate to amortize the cost over the service lives of the assets. Amortization is computed on a declining balance basis varying from 10% to 40%.

**Levy Revenue**

Under the **Natural Gas Price Amendment Act, 1990**, the producers are required to pay a levy based on the monthly volume of marketable natural gas produced. This levy is intended to offset administration costs incurred in carrying out the government's role in monitoring and overseeing the natural gas marketplace.

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**Note 3 Natural Gas Contracts**

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Effective November 1, 1991, the Gas Purchase Agreement with Pacific Northern Gas Ltd. ("PNG") and the Gas Sales Agreement with Methanex Corporation ("Methanex") were converted to Firm Service and Interruptible Sales Agreements. Under the terms of these agreements the Corporation holds capacity on the PNG natural gas pipeline system. At the same time, PNG assigned an equal portion of its capacity on the Westcoast Energy Inc. pipeline system to the Corporation who in turn assigned it to Methanex. This pipeline capacity is used to supply natural gas to Methanex's methanol plant at Kitimat, B.C. All agreements will expire on October 31, 2002.

- 2 -

**Note 4 Capital Assets**

	Cost \$	Accumulated Amortization \$	1993 Net Carrying Value \$	1992 Net Carrying Value \$
Furniture and equipment	274,008	109,197	164,811	204,281
Automobiles	18,149	9,833	8,316	11,916
	<u>292,157</u>	<u>119,030</u>	<u>173,127</u>	<u>216,197</u>

**Note 5 Interest**

	1993 \$	1992 \$
Interest income		
Province of British Columbia	60,265	88,150
Other	33,681	28,218
	<u>93,946</u>	<u>116,368</u>

**Note 6 Commitments**

The Corporation has a commitment under an agreement for the lease of office premises extending to January 31, 1996. The minimum lease payments under this agreement are as follows:

	\$
Year ended March 31, 1994	70,044
March 31, 1995	70,044
March 31, 1996	58,370
	<u>198,458</u>

**British Columbia Railway Company****Coopers  
& Lybrand**

chartered accountants

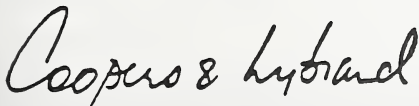
a member firm of  
Coopers & Lybrand (International)**AUDITORS' REPORT**

To the Lieutenant Governor in Council  
Province of British Columbia

We have audited the consolidated balance sheets of British Columbia Railway Company as at December 31, 1992 and 1991 and the consolidated statements of income and retained earnings and cash flow for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 1992 and 1991 and the results of its operations and the changes in its cash position for the years then ended in accordance with generally accepted accounting principles.



Vancouver, Canada  
February 11, 1993  
except for note 13  
which is as of March 26, 1993.

**BRITISH COLUMBIA RAILWAY COMPANY**  
**CONSOLIDATED BALANCE SHEETS**  
(Dollars In Thousands)

December 31	1992	1991 Restated (Note 10)
<b>ASSETS</b>		
Current assets		
Cash and short-term investments	\$ 738	\$ 14,433
Accounts receivable	35,523	37,796
Material and other items	29,537	33,234
	<b>65,798</b>	<b>85,463</b>
Property and equipment		
Road and buildings	1,366,561	1,329,304
Equipment	343,732	327,052
	<b>1,710,293</b>	<b>1,656,356</b>
Accumulated depreciation	430,748	399,186
	<b>1,279,545</b>	<b>1,257,170</b>
	<b>\$ 1,345,343</b>	<b>\$ 1,342,633</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
Current liabilities		
Accounts payable	\$ 83,167	\$ 89,521
Current obligations on long-term debt	2,689	2,413
	<b>85,856</b>	<b>91,934</b>
Long-term debt - Note 2	<b>97,177</b>	<b>79,387</b>
Minority interest - Note 3	<b>136,522</b>	<b>186,501</b>
Shareholder's equity		
Share capital - Note 4	257,688	257,688
Contributed surplus	510,716	510,716
Retained earnings - Note 10	257,384	216,407
	<b>1,025,788</b>	<b>984,811</b>
Commitments - Note 5		
Contingent liabilities - Note 6		
	<b>\$ 1,345,343</b>	<b>\$ 1,342,633</b>

On behalf of the Board

Director

Director



**BRITISH COLUMBIA RAILWAY COMPANY**  
**CONSOLIDATED INCOME AND RETAINED EARNINGS**  
**(Dollars in Thousands)**

for the years ended December 31	1992	1991 Restated (Note 10)
<b>Revenues</b>		
Rail operations	\$ 314,409	\$ 310,882
Government assistance - Note 8	10,638	9,107
	<b>325,047</b>	<b>319,989</b>
<b>Expenses</b>		
Operations	69,103	68,974
Equipment	66,068	61,503
Road	42,388	38,154
Depreciation	42,486	41,806
General and administration	27,622	29,451
	<b>247,667</b>	<b>239,888</b>
<b>Railway operating income</b>	<b>77,380</b>	<b>80,101</b>
<b>Non-operating income (expense)</b>		
Interest - Note 9	(8,027)	(9,982)
Other income	3,342	5,199
Capital taxes	(5,315)	(2,246)
<b>Income before minority interest</b>	<b>67,380</b>	<b>73,072</b>
Minority interest	(16,095)	(17,251)
<b>Net income</b>	<b>51,285</b>	<b>55,821</b>
<b>Retained earnings, beginning of year</b>	<b>214,423</b>	<b>170,894</b>
Prior period adjustment - Note 10	1,984	0
<b>As restated</b>	<b>216,407</b>	<b>170,894</b>
Dividends paid	(10,308)	(10,308)
<b>Retained earnings, end of year</b>	<b>\$ 257,384</b>	<b>\$ 216,407</b>



**BRITISH COLUMBIA RAILWAY COMPANY**  
**CONSOLIDATED CASH FLOW**  
**(Dollars in Thousands)**

For the years ended December 31	1992	1991 Restated (Note 10)
<b>Operating activities</b>		
Net income	\$ 51,285	\$ 55,821
Add (deduct)		
Item not affecting working capital		
Depreciation	42,486	41,806
Net changes in non-cash working capital		
Accounts receivable	2,273	(2,962)
Material and other items	3,697	6,610
Accounts payable	(6,346)	(1,993)
Minority interest in earnings	16,095	17,251
Interest	8,027	9,982
	117,517	126,515
<b>Investing activities</b>		
Additions to property and equipment	(67,598)	(45,132)
Change in payables for equipment purchases	(8)	(390)
Government assistance for capital items	2,737	2,592
	(64,869)	(42,930)
<b>Financing activities</b>		
Issue of long-term debt	20,651	0
Repayment of long-term debt	(2,585)	(30,013)
Interest	(8,027)	(9,982)
Dividends paid to minority interest	(16,095)	(17,251)
Reduction in minority interest	(49,979)	0
	(56,035)	(57,246)
<b>Dividends paid</b>	(10,308)	(10,308)
<b>Increase (decrease) in cash</b>	(13,695)	16,031
Cash and short-term investments, beginning of year	14,433	(1,598)
<b>Cash and short-term investments, end of year</b>	\$ 738	\$ 14,433

## British Columbia Railway Company

### Notes to Consolidated Financial Statements

#### 1. SIGNIFICANT ACCOUNTING POLICIES

The accounting regulations prescribed by the National Transportation Agency of Canada have been adopted to the extent that this is possible without submitting specific accounting policies and depreciation rates to the Agency for approval.

##### *Basis of consolidation*

The consolidated financial statements include the accounts of British Columbia Railway Company and its subsidiaries, BC Rail Ltd. and BCR Properties Ltd. In these notes "company" refers to British Columbia Railway Company and its subsidiaries. All significant inter-company transactions are eliminated.

##### *Class of business*

The company provides a fully integrated rail freight service within British Columbia. Services other than hauling freight are not of sufficient size to warrant separate reporting.

##### *Road property*

New construction is recorded at cost net of Government grants. Abandoned or relocated sections are removed at average unit costs. Elements of track structure installed during planned programs are recorded at cost and the material replaced is removed at amounts which approximate average unit costs. Labour costs for programmed replacements are expensed as incurred.

##### *Depreciation*

Depreciation is provided for major categories of property and equipment on the straight-line basis at composite rates estimated to reduce the original cost to estimated salvage value over the average service lives of the classes. The group method is used for recording depreciation under which, on disposal, the original cost of assets retired less salvage value is charged against accumulated depreciation. No gain or loss on retirements, other than on accidental destruction of rolling stock and on disposal of land, is included in income. The original cost of assets less estimated salvage value is depreciated over the following number of years:

	<u>Number of Years</u>
Grade and tunnels	100
Rail	35
Ties	20 - 50
Ballast	25
Bridges	30 - 80
Locomotives and power units	25
Freight cars	15 - 33

***Repairs***

Repairs and non-programmed replacements of track structure are charged against current operations. Betterments and major track relocations are capitalized.

***Material and supplies***

Inventories of material and supplies are valued at the lower of average cost and net realizable value.

***Government assistance***

Grants directly related to the construction or rehabilitation of road property have offset related road property capital expenditures. Operating assistance has been deducted from the related expense accounts or included in revenue.

***Income taxes***

Income tax expense is computed on the basis of accounting income recorded by BC Rail Ltd. The income of British Columbia Railway Company and BCR Properties Ltd. is exempt from income taxes.

***Transactions in foreign currency***

Transactions originating in foreign currency are translated at the approximate exchange rates prevailing at the dates of the transactions. Assets and liabilities denominated in foreign currency at the balance sheet date are translated to equivalent Canadian amounts at the current rate of exchange.

***Leases***

Certain long-term lease transactions relating to the financing of equipment are accounted for as purchases. The capital lease obligations reflect the present value of future minimum rental payments discounted at the interest rate implicit in the leases. The capitalized values of depreciable assets are generally depreciated over the related lease terms in equal annual amounts. Costs of all other leases are charged against operations as incurred.

## 2. LONG-TERM DEBT

Long-term debt outstanding, less current maturities, consists of the following (in thousands):

	1992	1991
Sinking fund bonds and debentures payable to the Province of British Columbia (the Province)		
11.00%, due June 1995	\$ 25,000	\$ 25,000
10.99%, due August 2005	24,490	24,490
	49,490	49,490
Less sinking fund	1,919	1,556
	47,571	47,934
Capital lease obligations - Notes 5 and 12	31,644	33,866
Notes payable to the Province	20,651	0
	99,866	81,800
Deduct current portion	2,689	2,413
	\$ 97,177	\$ 79,387

## 3. MINORITY INTEREST

The minority interest consists of 5,460,880 series 1-A first preferred shares with a par value of \$25 each issued by BC Rail Ltd. These shares are designated as \$2.3125 cumulative, redeemable and retractable. The retraction privilege has expired.

BC Rail Ltd. must make all reasonable efforts in each quarter to purchase for cancellation on the open market three-quarters of 1% of the series 1-A preferred shares outstanding at the beginning of the quarter at a price not to exceed \$25 per share and all transaction costs. If it is unable to fulfill its obligation in any calendar quarter the obligation will carry over only to the successive calendar quarters of the same calendar year and will thereafter be extinguished. No shares were purchased in 1991 or 1992 under this provision.

BC Rail Ltd. has a right of redemption by which it may require holders of the series 1-A preferred shares to sell to BC Rail Ltd. any or all of their shares at any time on or after June 1, 1992 at \$25 per share plus all accrued and unpaid dividends. During 1992, 1,999,165 shares were purchased and subsequently cancelled under this provision.

## 4. SHARE CAPITAL

Authorized:

10,000,000 shares with a par value of \$100 each.

Issued and outstanding:

2,576,885 shares held by the Province.

As all of the shares are held by the Province, earnings per share have not been provided.



## 5. COMMITMENTS

The company has significant lease commitments for rolling stock and additional minor lease commitments for equipment and real estate which expire at various dates prior to the year 2003. Certain of these leases transfer substantially all of the benefits and risks of ownership to the company and are accounted for as capital leases.

The following is a schedule of future minimum rental payments at December 31, 1992 required under non-cancelable leases that have remaining terms in excess of one year (in thousands):

	Capital Leases	Operating Leases
1993	\$ 6,780	\$ 12,363
1994	6,780	8,771
1995	6,780	8,254
1996	6,780	5,673
1997	6,780	4,939
Later years	17,229	8,275
Total minimum lease payments	51,129	<u>\$48,275</u>
Less		
Executory costs	3,808	
Imputed interest	15,677	
Present value	<u>\$ 31,644</u>	

Assets under capital leases recorded in the property and equipment accounts as at December 31, with effective interest rates in the range of 11.75% to 12.02%, are as follows (in thousands):

	1992	1991
Equipment	\$ 46,234	\$ 46,234
Accumulated depreciation	23,052	21,195
	<u>\$ 23,182</u>	<u>\$ 25,039</u>

As at December 31, 1992 the company had outstanding purchase commitments for the acquisition of material and equipment amounting to \$28 million.

## 6. CONTINGENT LIABILITIES

The company is contingently liable with respect to pending litigation and claims arising in the normal course of business. In the opinion of management, any liability that may arise would not have a material adverse effect on future income.

## 7. INCOME TAX

At December 31, 1992, BC Rail Ltd. had approximately \$70 million excess income tax value over net book value of depreciable property and equipment, which can be used to reduce future years' earnings for income tax purposes.

**8. GOVERNMENT ASSISTANCE**

Government assistance was as follows (in thousands):

	1992	1991
Unapplied, beginning of year	\$ 1,364	\$ 2,866
Contributions during the year		
From the Province		
Fort Nelson Subdivision operations	8,375	5,750
Passenger operations	2,855	2,064
Passenger car modernization	870	2,058
	12,100	9,872
From the Government of Canada		
Grain transportation	1,283	1,357
	13,383	11,229
Total available	14,747	14,095
Applied as follows		
Revenue		
Fort Nelson Subdivision	6,500	5,000
Passenger operations	2,855	2,750
Grain transportation	1,283	1,357
	10,638	9,107
Operating expenses		
Road	23	633
Equipment	443	398
	466	1,031
Property and equipment	2,734	2,593
Total applied	13,838	12,731
Unapplied, December 31	\$ 909	\$ 1,364

**9. INTEREST EXPENSE**

Interest expense was as follows (in thousands):

	1992	1991
Interest on long-term debt and notes to the Province	\$ 5,961	\$6,706
Interest on capital lease obligations	3,912	4,165
	9,873	10,871
Less		
Sinking fund earnings	171	121
Interest earned on temporary investments	1,675	768
	1,846	889
Net interest	\$ 8,027	\$ 9,982



**10. PRIOR PERIOD ADJUSTMENT**

During the year, the Federal government passed legislation permitting transportation companies to receive a rebate of fuel excise tax for 1991 and 1992. The company's subsidiary, BC Rail Ltd., received a rebate of \$1,984,000 in respect of 1991 fuel excise taxes. The comparative data for 1991 have been restated with the balance being added to the retained earnings at January 1, 1992.

**11. PENSION PLAN AND POST EMPLOYMENT BENEFITS**

The company maintains a contributory defined benefit plan which covers substantially all of its employees. The plan provides pensions based on length of service and average earnings.

The most current actuarial valuation of the plan as at December 31, 1991 indicates that the accrued pension obligations and the net assets available to provide for these obligations are as follows:

Accrued pension obligations	\$ 238 million
Pension fund assets	\$ 263 million

To reduce the excess of pension fund assets over the accrued pension obligations, a contribution holiday was implemented from March 1989 to March 1991.

The company also provides basic medical insurance coverage for all retired employees. The cost of the premiums is charged to income as they are paid.

**12. RELATED PARTY TRANSACTIONS**

Related party information not presented elsewhere in the notes to financial statements is presented below.

First preferred shares of BC Rail Ltd. and certain capital lease obligations are guaranteed by the Province. The Ministry of Finance and Corporate Relations of the Province acts as fiscal agent and the Superannuation Commission of the Province administers the company pension plan. Fees are charged for both of these services.

Except for income tax as described in Note 1, the company is subject to all taxes levied by the Province except most property taxes. All other transactions between the company and the Province are at terms no more or less favourable than those with unrelated parties.

### 13. SUBSEQUENT EVENT

On March 25, 1993 BC Rail Ltd. purchased all of the common shares of Vancouver Wharves Ltd. for \$15,750,000 cash. Vancouver Wharves Ltd. operates a multi-product deep sea loading terminal in North Vancouver, B. C.

**British Columbia Regional Hospital Districts Financing Authority**

Auditor General of British Columbia

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**AUDITOR'S REPORT**

8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

(604) 387-6803  
Fax (604) 387-1230

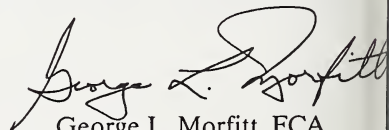
*To the Members of the British Columbia Regional Hospital Districts  
Financing Authority, and*

*To the Minister of Finance and Corporate Relations,  
Province of British Columbia:*

I have audited the balance sheet of the British Columbia Regional Hospital Districts Financing Authority as at March 31, 1993 and the statement of financing and lending activities and statement of changes in sinking funds for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 1993 and the results of its operations and changes in sinking funds for the year then ended in accordance with generally accepted accounting principles.

  
George L. Morfitt, FCA  
Auditor General

*Victoria, British Columbia  
June 28, 1993*

## STATEMENT OF RESPONSIBILITY

To the Members of the  
British Columbia Regional Hospital  
Districts Financing Authority

Responsibility for the integrity and objectivity of the accompanying financial statements rests with the Authority. The financial statements are prepared by the Provincial Treasury, Ministry of Finance and Corporate Relations in accordance with generally accepted accounting principles in a manner consistent with the previous year. Systems of internal controls are in place to provide reasonable assurance that transactions are appropriately authorized, assets are safeguarded and financial records are properly maintained to provide reliable financial statements.

The Auditor General of the Province of British Columbia conducts an independent examination, in accordance with generally accepted auditing standards, and provides an independent professional opinion on the financial statements.



Arn van Iersel  
Director  
Banking/Cash Management  
Provincial Treasury

Victoria, British Columbia  
June 28, 1993

## BRITISH COLUMBIA REGIONAL HOSPITAL DISTRICTS FINANCING AUTHORITY

## BALANCE SHEET

AS AT MARCH 31, 1993

## ASSETS

In Thousands

19931992


Loans receivable (note 3)	\$1,522,753	\$1,393,929
Less: Sinking funds (note 5)	<u>467,284</u>	<u>414,557</u>
	1,055,469	979,372
Accrued interest receivable	<u>48,434</u>	<u>46,548</u>
	<u>\$1,103,903</u>	<u>\$1,025,920</u>


## LIABILITIES

Term debt (note 4)	\$1,522,753	\$1,393,929
Less: Sinking funds (note 5)	<u>467,284</u>	<u>414,557</u>
	1,055,469	979,372
Accrued interest payable	<u>48,434</u>	<u>46,548</u>
	<u>\$1,103,903</u>	<u>\$1,025,920</u>

The six accompanying notes are an integral part of these financial statements.

Approved by the Authority:

  
Glen Clark, Chairman

  
Michael Costello, Secretary

BRITISH COLUMBIA REGIONAL HOSPITAL DISTRICTS FINANCING AUTHORITY  
STATEMENT OF FINANCING AND LENDING ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 1993

	In Thousands	
	<u>1993</u>	<u>1992</u>
<b>unds generated from</b>		
Interest on loans receivable	\$161,392	\$152,291
Debentures issued	162,961	143,829
Assets transferred from sinking funds to discharge loans receivable and interest obligations - at cost (note 6)	<u>36,657</u>	<u>43,233</u>
	<u>\$361,010</u>	<u>\$339,353</u>
<b>unds applied to</b>		
Interest on term debt	\$161,392	\$152,291
Loans issued	162,961	143,829
Repayment of term debt (note 6)	4,653	-
Extinguishment of term debt for financial reporting purposes (note 6)	29,484	41,504
Excess of cost of assets transferred from sinking funds over loans receivable discharged	<u>2,520</u>	<u>1,729</u>
	<u>\$361,010</u>	<u>\$339,353</u>



## BRITISH COLUMBIA REGIONAL HOSPITAL DISTRICTS FINANCING AUTHORITY

## STATEMENT OF CHANGES IN SINKING FUNDS

FOR THE YEAR ENDED MARCH 31, 1993

In Thousands

19931992

## Increase

Instalments	\$ 37,999	\$ 33,726
Investment income	<u>54,581</u>	<u>51,923</u>
	<u>\$ 92,580</u>	<u>\$ 85,649</u>

## Decrease

Funds management fees (note 5)	195	178
Excess assets of certified sinking funds (note 6)	2,679	1,982
Excess assets of matured sinking fund (note 6)	322	-
Assets transferred to the Authority - at cost (note 6)	<u>36,657</u>	<u>43,233</u>
	<u>39,853</u>	<u>45,393</u>

Net increase in Sinking Funds	52,727	40,256
Sinking Funds, Beginning of Year	<u>\$414,557</u>	<u>374,301</u>
Sinking Funds, End of Year	<u>\$467,284</u>	<u>\$414,557</u>

## BRITISH COLUMBIA REGIONAL HOSPITAL DISTRICTS FINANCING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1993

**The Authority**

The Authority was established by the Hospital District Finance Act, R.S.B.C. 1979, Chapter 179, as amended. Section 2 of the Act states that the purpose of the Authority is: "to assist in the financing of hospital projects, medical and health facilities, community human resources and health centres, and any other community, regional or Provincial facilities for the social improvement, welfare and benefit of the community or the general public good, approved by the Minister of Health".

The Authority provides assistance by making loans to regional hospital districts and the Health Facilities Association. These loans are financed by, and have interest rates and maturity dates identical to, the borrowing of the Authority itself.

**Significant accounting policies**

These financial statements are prepared on the basis of generally accepted accounting principles.

**Sinking fund investments**

- i) Units in Province of British Columbia Pooled Investment Portfolios are carried at the lower of cost, adjusted by income attributed to the units, or market value.
- ii) Long-term investments are valued at cost adjusted by amortization of discounts and premiums on a constant yield basis over the term of the investments.

**Loans receivable**

Loans receivable have early redemption provisions similar to those of the related debentures issued by the Authority.

## BRITISH COLUMBIA REGIONAL HOSPITAL DISTRICTS FINANCING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1993

## 4. Term debt

	In Thousands	
	<u>1993</u>	<u>1992</u>
Held by:		
Canada Pension Plan Investment Fund 8.77% to 17.51% debentures, due 1996 through 2009	\$ 913,675	\$ 943,159
Province of British Columbia Boards, Agencies and Commissions 10.00% to 10.40% debentures, due 1996 and 2001	7,000	7,000
Province of British Columbia 7.00% to 11.33% debentures, due 1993 through 2013	602,078	443,770
	<hr/>	<hr/>
	<u>\$1,522,753</u>	<u>\$1,393,929</u>

Certain debentures held by the Canada Pension Plan Investment Fund \$913,675,000 (1992: \$943,159,000) and by the Province of British Columbia \$311,826,800 (1992: \$285,412,300) are redeemable in whole or in part before maturity, on six months' notice, at the option of the holders of the debt, subject to certain restrictions.

Debentures totalling \$2,000,000 (1992: \$2,000,000) are redeemable in whole or in part, after 1994, at the option of the Chairman of the Authority.

Debentures totalling \$5,000,000 (1992: \$5,000,000) are redeemable in whole or in part on demand, at the option of the Minister of Finance and Corporate Relations of the Province of British Columbia.

## BRITISH COLUMBIA REGIONAL HOSPITAL DISTRICTS FINANCING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1993

## Term debt (continued)

Debentures maturing in the next five fiscal years are as follows:

## In Thousands

1994	4,870
1995	5,763
1996	-
1997	31,273
1998	95,631

Repayment of these debentures will be fully funded by sinking fund assets.

Sinking fund instalments due in the next five fiscal years are as follows:

## In Thousands

1994	39,855
1995	40,590
1996	39,511
1997	38,974
1998	38,507

The Province of British Columbia has unconditionally guaranteed the payment of principal and interest on \$920,675,300 (1992: \$950,159,300) of the debt of the Authority.

## Sinking funds

## In Thousands

	<u>1993</u>	<u>1992</u>
Cash	\$ -	\$ 4
Accrued interest	6,569	5,006
Units in Province of British Columbia		
Pooled Investment Portfolios	37,644	61,959
Accounts receivable	18	6
Long-term investments		
(market value \$447,347,345;		
1992: \$355,084,627)	<u>424,542</u>	<u>347,635</u>
	<u>468,773</u>	<u>414,610</u>
Less: Excess assets of certified		
sinking funds payable to		
hospital districts	-	8
Accounts payable	49	45
Accounts payable for investments		
purchased	<u>1,440</u>	<u>-</u>
	<u>1,489</u>	<u>53</u>
	<u>\$467,284</u>	<u>\$414,557</u>

## BRITISH COLUMBIA REGIONAL HOSPITAL DISTRICTS FINANCING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1993

## 5. Sinking funds (continued)

Sinking fund instalments received from the hospital districts in respect of the debt to the Authority, together with the investment income earned thereon, are placed in sinking funds maintained by the trustee, the Minister of Finance and Corporate Relations. These funds provide for the retirement of the hospital districts' debt and in turn, for the retirement of the debt of the Authority at maturity.

Long-term investments consist primarily of bonds of the Government of Canada, various provinces and Crown corporations.

Funds management fees have been charged to the sinking funds of the Authority by the Minister of Finance and Corporate Relations in accordance with Section 39(4) of the Financial Administration Act. These fees are based on the market value of sinking fund assets and are charged on a quarterly basis during the year.

## 6. Assets transferred from sinking funds

Under Section 8.1 of the Hospital District Finance Act, where a security is held by the Authority, and the Minister of Finance and Corporate Relations of the Province of British Columbia certifies that the assets of the related sinking fund are sufficient to meet all obligations respecting the payment of principal and interest under the security, the body who issued the security shall transfer the assets in the sinking fund to the Authority.

During the year ended March 31, 1993, sinking fund assets, with a cost of \$36,656,602 (1992: \$43,233,122) were transferred to the Authority for the repayment of the Authority's term debt with a par value of \$4,653,000 (1992: nil) and the extinguishment for financial reporting purposes of the Authority's term debt with a par value of \$29,484,000 (1992: \$41,504,000). After the transfer, as part of the certification process, the Authority placed sufficient government guaranteed securities into an irrevocable trust to satisfy the scheduled interest and principal payment requirements of \$29,484,000 (1992: \$41,504,000) in term debt.

Where the assets of the sinking fund exceed what is required to meet the obligations of the debt, the Authority pays the excess to the body who issued the debt. For the year ended March 31, 1993 excess assets paid on certified sinking funds were \$2,679,000 (1992: \$1,982,000) and on a matured sinking fund was \$322,000 (1992: nil).

As at March 31, 1993 a total of \$120,054,000 (1992: \$110,570,000) of outstanding term debt, together with the related securities, has been removed from the Authority's balance sheet and is considered extinguished for financial reporting purposes.



# British Columbia School Districts Capital Financing Authority



Auditor General of British Columbia

## AUDITOR'S REPORT

8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

(604) 387-6803  
Fax (604) 387-1230

*To the Members of the British Columbia School Districts  
Capital Financing Authority, and*

*To the Minister of Finance and Corporate Relations,  
Province of British Columbia:*

I have audited the balance sheet of the British Columbia School Districts Capital Financing Authority as at March 31, 1993 and the statement of financing and lending activities and statement of changes in sinking funds for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 1993 and the results of its operations and changes in sinking funds for the year then ended in accordance with generally accepted accounting principles.

A handwritten signature in dark ink, appearing to read "George L. Morfitt".

George L. Morfitt, FCA  
Auditor General

*Victoria, British Columbia  
June 28, 1993*



**STATEMENT OF RESPONSIBILITY**

*To the Members of the  
British Columbia School Districts  
Capital Financing Authority*

Responsibility for the integrity and objectivity of the accompanying financial statements rests with the Authority. The financial statements are prepared by the Provincial Treasury, Ministry of Finance and Corporate Relations in accordance with generally accepted accounting principles in a manner consistent with the previous year. Policies and procedures are designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded and financial records properly maintained to provide reliable financial statements.

The Auditor General of the Province of British Columbia conducts an independent examination, in accordance with generally accepted auditing standards, and provides an independent professional opinion on the financial statements.



Arn van Iersel  
Director  
Banking/Cash Management  
Provincial Treasury

Victoria, British Columbia  
June 28, 1993

## BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY

## BALANCE SHEET

AS AT MARCH 31, 1993

## ASSETS

In Thousands


	<u>1993</u>	<u>1992</u>
Loans receivable (note 3)	\$1,963,173	\$1,722,688
Less: Sinking funds (note 5)	<u>559,389</u>	<u>578,741</u>
	1,403,784	1,143,947
Accrued interest receivable	<u>58,867</u>	<u>57,687</u>
	<u>\$1,462,651</u>	<u>\$1,201,634</u>

## LIABILITIES

Term debt (note 4)	\$1,963,173	\$1,722,688
Less: Sinking funds (note 5)	<u>559,389</u>	<u>578,741</u>
	1,403,784	1,143,947
Accrued interest payable	<u>58,867</u>	<u>57,687</u>
	<u>\$1,462,651</u>	<u>\$1,201,634</u>

The six accompanying notes are an integral part of these financial statements.

Approved by the Authority:

  
Ian Clark, Chairman

  
Michael Costello, Secretary

BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY  
STATEMENT OF FINANCING AND LENDING ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 1993

In Thousands

	<u>1993</u>	<u>1992</u>
<b>Funds generated from</b>		
Interest on loans receivable	\$190,285	\$179,699
Debentures issued	352,446	292,226
Assets transferred from sinking funds to discharge loans receivable and interest obligations - at cost (note 6)	115,381	91,170
	<u>\$658,112</u>	<u>\$563,095</u>
<b>Funds applied to</b>		
Interest on term debt	\$190,285	\$179,699
Loans issued	352,446	292,226
Repayment of term debt (note 6)	25,000	11,101
Extinguishment of term debt for financial reporting purposes (note 6)	86,961	77,071
Excess cost of assets transferred from sinking funds over loans receivable discharged	<u>3,420</u>	<u>2,991</u>
	<u>\$658,112</u>	<u>\$563,095</u>

BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY  
STATEMENT OF CHANGES IN SINKING FUNDS  
FOR THE YEAR ENDED MARCH 31, 1993

	In Thousands	
	<u>1993</u>	<u>1992</u>
<b>Increase</b>		
Instalments	\$ 41,293	\$ 36,881
Investment income	<u>67,030</u>	<u>78,191</u>
	<u>108,323</u>	<u>115,072</u>
<b>Decrease</b>		
Funds management fees (note 5)	227	233
Excess assets of certified sinking funds (note 6)	7,481	9,763
Excess assets of matured sinking fund (note 6)	4,586	-
Assets transferred to the Authority - at cost (note 6)	<u>115,381</u>	<u>91,170</u>
	<u>127,675</u>	<u>101,166</u>
<b>Net increase (decrease) in Sinking Funds</b>	(19,352)	13,906
<b>Sinking Funds, Beginning of Year</b>	<u>578,741</u>	<u>564,835</u>
<b>Sinking Funds, End of Year</b>	<u>\$559,389</u>	<u>\$578,741</u>

## BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1993

**1. The Authority**

The Authority was established by the School District Capital Finance Act, R.S.B.C. 1979, Chapter 376, as amended. Section 2 of the Act states that "the purpose of the Authority is to lend money to boards of school trustees of the school districts created under the School Act to finance their capital expenditures".

The loans made by the Authority to school districts are financed by, and have interest rates and maturity dates identical to, the borrowing of the Authority itself.

**2. Significant accounting policies**

These financial statements are prepared on the basis of generally accepted accounting principles.

**Sinking fund investments**

- i) Short term investments are carried at the lower of cost or market value.
- ii) Units in Province of British Columbia Pooled Investment Portfolios are carried at the lower of cost, adjusted by income attributed to the units, or market value.
- iii) Long-term investments are valued at cost adjusted by amortization of discounts and premiums on a constant yield basis over the remaining terms of the investments.

**3. Loans receivable**

Loans receivable have early redemption provisions similar to those of the related debentures issued by the Authority.

## BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1993

Term debt	In Thousands	
	<u>1993</u>	<u>1992</u>
Held by:		
Canada Pension Plan Investment Fund 8.73% to 17.51% debentures, due 1996 through 2009	\$ 997,627	\$1,084,588
Province of British Columbia Pension Funds 12.75% debenture, due 1992	-	25,000
Province of British Columbia Boards, Agencies and Commissions 10.00% debenture, due 1996	4,700	4,700
Province of British Columbia 8.50% to 11.33% debentures, due 1998 through 2013	955,546	603,100
British Columbia School Districts Capital Financing Authority Sinking Fund 10.00% debenture, due 1996	<u>5,300</u>	<u>5,300</u>
	<u>\$1,963,173</u>	<u>\$1,722,688</u>

Certain debentures held by the Canada Pension Plan Investment Fund \$997,627,000 (1992: \$1,084,588,000) and by the Province of British Columbia \$479,995,000 (1992: \$364,361,000) are redeemable in whole or in part before maturity, on six months' notice, at the option of the holders of the debt, subject to certain restrictions.

Debentures maturing in the next five fiscal years are as follows:

In Thousands	
1994	\$ -
1995	-
1996	-
1997	77,810
1998	93,704



## BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1993

## 4. Term debt (continued)

Repayment of these debentures will be fully funded by sinking fund assets.

Sinking fund instalments due in the next five fiscal years are as follows:

## In Thousands

1994	\$45,615
1995	45,615
1996	45,615
1997	45,279
1998	42,433

The Province of British Columbia has unconditionally guaranteed the payment of principal and interest on \$1,007,627,000 (1992: \$1,119,588,000) of the debt of the Authority.

## 5. Sinking funds

## In Thousands

	<u>1993</u>	<u>1992</u>
Cash	\$ -	\$ 350
Accounts receivable for investments sold	517	-
Short term investments	2,669	-
Units in Province of British Columbia Pooled Investment Portfolios	44,588	46,967
Accrued interest	9,184	9,871
Accounts receivable	9	30
Long-term investments (market value \$535,551,935; 1992: \$529,821,225)	<u>505,146</u>	<u>527,070</u>
	<u>562,113</u>	<u>584,288</u>
Less:		
Excess assets of certified sinking funds payable	2,669	-
Accounts payable for investments purchased	-	5,492
Accounts payable	<u>55</u>	<u>55</u>
	<u>2,724</u>	<u>5,547</u>
	<u>\$559,389</u>	<u>\$578,741</u>

Long-term investments include \$5,300,000 (1992: \$5,300,000) par value of the debenture issued by the Authority.

## BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1993

## Sinking funds (continued)

Sinking fund instalments received from the school districts in respect of the debt to the Authority, together with the investment income earned thereon, are placed in sinking funds maintained by the trustee, the Minister of Finance and Corporate Relations. These funds provide for the retirement of school districts' debt and, in turn, for the retirement of the debt of the Authority at maturity.

Long-term investments consist primarily of bonds of the Government of Canada, various provinces and Crown corporations.

Funds management fees have been charged to the sinking funds of the Authority by the Minister of Finance and Corporate Relations in accordance with Section 39(4) of the Financial Administration Act. These fees are based on the market value of sinking fund assets and are charged on a quarterly basis during the year.

## Assets transferred from sinking funds

Under Section 8.1 of the School District Capital Finance Act, where a security of a school board is held by the Authority, and the Minister of Finance and Corporate Relations of the Province of British Columbia certifies that the assets of the related sinking fund are sufficient to meet all obligations respecting the payment of principal and interest under the security, the board who issued the security shall transfer the assets in the sinking fund to the Authority.

During the year ended March 31, 1993, sinking fund assets, with a cost of \$115,380,918 (1992: \$91,169,759) were transferred to the Authority for the repayment of the Authority's term debt with a par value of \$25,000,000 (1992: \$11,102,760) and the extinguishment for financial reporting purposes of the Authority's term debt with a par value of \$86,961,000 (1992: \$77,074,000). After the transfer, as part of the certification process, the Authority placed sufficient government guaranteed securities into an irrevocable trust to satisfy the scheduled interest and principal payment requirements of \$86,961,000 (1992: \$77,074,000) in term debt.

Where the assets of the sinking fund exceed what is required to meet the obligations of the debt, the Authority pays the excess to the body who issued the debt. For the year ended March 31, 1993 excess assets paid on certified sinking funds were \$7,481,000 (1992: \$9,763,000) and on a matured sinking fund was \$4,586,000 (1992: nil).

As at March 31, 1993 a total of \$289,616,000 (1992: \$254,662,000) of outstanding term debt, together with the related securities, has been removed from the Authority's balance sheet and is considered extinguished for financial reporting purposes.

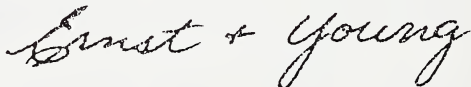
**British Columbia Steamship Company (1975) Ltd.****AUDITORS' REPORT**

To the Shareholder of  
**British Columbia Steamship Company (1975) Ltd.**

We have audited the balance sheet of **British Columbia Steamship Company (1975) Ltd.** as at December 31, 1992 and the statements of loss and surplus and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 1992 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

A handwritten signature in cursive script that reads "Ernst & Young".

Victoria, Canada,  
May 10, 1993.

Chartered Accountants

## British Columbia Steamship Company (1975) Ltd.

## BALANCE SHEET

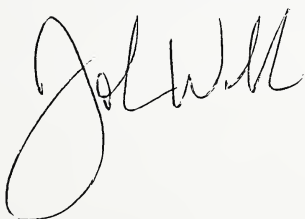
As at December 31

	1992 \$	1991 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and investment deposits	2,211,220	2,536,562
Accounts receivable	19,519	8,422
Prepaid leases	28,500	28,500
	<u>2,259,239</u>	<u>2,573,484</u>
<b>LIABILITIES, CAPITAL STOCK AND SURPLUS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	119,361	114,738
<b>Capital stock and surplus</b>		
Capital stock		
5 common shares [note 1]	5	5
Surplus	2,139,873	2,458,741
<b>Total capital stock and surplus</b>	<u>2,139,878</u>	<u>2,458,746</u>
	<u>2,259,239</u>	<u>2,573,484</u>

See accompanying notes

Approved on behalf of the Directors:

Director



Director



**British Columbia Steamship Company (1975) Ltd.****STATEMENT OF LOSS AND SURPLUS**

Year ended December 31

	1992 \$	1991 \$
<b>REVENUE</b>		
Interest	166,993	277,001
Miscellaneous	92,307	3,781
Equipment leases	—	62,582
Gain on disposal of equipment under capital lease	—	19,385
	<b>259,300</b>	<b>362,749</b>
<b>EXPENSES</b>		
Property taxes <i>[note 2]</i>	260,292	123,982
Administration costs	158,954	75,264
Property leases <i>[note 2]</i>	115,147	52,818
Disposition costs	43,775	386,924
Interest	—	9,888
Depreciation	—	54,479
	<b>578,168</b>	<b>703,355</b>
<b>Net loss for the year</b>	<b>(318,868)</b>	<b>(340,606)</b>
<b>Surplus, beginning of year</b>	<b>2,458,741</b>	<b>2,799,347</b>
<b>Surplus, end of year</b>	<b>2,139,873</b>	<b>2,458,741</b>

*See accompanying notes*

**British Columbia Steamship Company (1975) Ltd.****STATEMENT OF CASH FLOWS**

Year ended December 31

	1992 \$	1991 \$
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	(318,868)	(340,606)
Add (deduct) charges not requiring a current cash payment		
Depreciation	—	54,479
Gain on disposal of equipment under capital lease	—	(19,385)
Net change in non-cash working capital balances related to operations		
Prepaid leases	—	(28,500)
Accounts receivable	(11,097)	18,223
Accounts payable and accrued liabilities	4,623	1,750
Severance and termination pay	—	(1,800,000)
<b>Cash used in operating activities</b>	<b>(325,342)</b>	<b>(2,114,039)</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of property under capital lease	—	193,887
<b>Cash provided by investing activities</b>	<b>—</b>	<b>193,887</b>
<b>FINANCING ACTIVITIES</b>		
Capital lease obligation	—	(247,982)
<b>Cash used in financing activities</b>	<b>—</b>	<b>(247,982)</b>
<b>Net decrease in cash during the year</b>	<b>(325,342)</b>	<b>(2,168,134)</b>
Cash, beginning of year	2,536,562	4,704,696
<b>Cash, end of year</b>	<b>2,211,220</b>	<b>2,536,562</b>

*See accompanying notes*



**British Columbia Steamship Company (1975) Ltd.**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 1992

**GENERAL**

The company is incorporated under the Canada Business Corporation Act and is a Crown Corporation of the Province of British Columbia.

**1. CAPITAL STOCK**

The company is limited by its articles to issuing a maximum of 55,000 common shares.

**2. PROPERTY LEASE PAYMENTS**

Effective July 1, 1991, the company has re-assumed direct responsibility for payment of lease costs for its leases of the Ogden Point and Belleville Street properties. The expected minimum lease payments are as follows:

	\$
1993	88,687
1994	80,087
1995	80,087
1996	80,087

The lease agreements also require the company to pay property taxes on the leased properties.

**British Columbia Systems Corporation****KPMG** Peat Marwick Thorne

Chartered Accountants

Third Floor, Royal Bank Building  
707 Fort Street  
Victoria, British Columbia, Canada  
V8W 3G3

Telephone (604) 480-3500  
Telefax (604) 480-3539

**AUDITORS' REPORT**

The Honourable Lois Boone  
Minister of Government Services  
Province of British Columbia

We have audited the balance sheet of British Columbia Systems Corporation as at March 31, 1993 and the statements of income and retained earnings and changes in financial position for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

*Peat Marwick Thorne*

Chartered Accountants

Victoria, Canada

May 27, 1993



Member Firm of  
Klynveld Peat Marwick Goerdeler



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serve as professional  
advisors to the  
XV Commonwealth Games<sup>®</sup>

# BRITISH COLUMBIA SYSTEMS CORPORATION

Balance Sheet  
(expressed in thousands)

March 31

## Assets

### Current assets

Cash and short-term investments  
Accounts receivable  
Prepaid expenses

1993	1992
\$ 16,706	\$ 16,291
10,799	11,237
<u>2,494</u>	<u>2,113</u>
29,999	29,641

### Fixed assets (note 2)

Land  
Building  
Computer, telecommunications and ancillary equipment  
Furniture and fixtures  
Leasehold improvements

4,600	4,600
32,902	30,188
135,852	113,732
3,606	2,997
<u>606</u>	<u>272</u>
177,566	151,789
<u>90,097</u>	<u>63,034</u>
87,469	88,755

Accumulated amortization

### Other assets

Deferred bond discount and issue costs

43	57
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<u>\$ 117,511</u>	<u>\$ 118,453</u>
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## Liabilities and Retained Earnings

### Current liabilities

Accounts payable and accrued liabilities  
Deferred revenue  
Dividends payable  
Current portion of long-term debt (note 4)  
Lease capitalization  
Bonds and debentures

\$ 24,240	\$ 22,408
6,490	6,868
—	5,000
9,608	6,812
<u>885</u>	<u>885</u>
41,223	41,973

### Long-term debt (note 4)

Lease capitalization  
Bonds and debentures

10,217	15,014
<u>27,678</u>	<u>29,653</u>
37,895	44,667

### Retained earnings (note 6)


<u>38,393</u>	<u>31,813</u>
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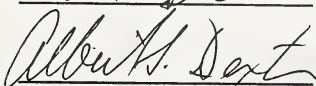
<u>\$ 117,511</u>	<u>\$ 118,453</u>
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Commitments (note 5)

See accompanying notes to financial statements.

APPROVED BY THE BOARD:

 Director

 Director

# BRITISH COLUMBIA SYSTEMS CORPORATION

Statement of Income and Retained Earnings  
(expressed in thousands)

	Year ended March 31	
	1993	1992
Revenue		
Telecommunications	\$ 79,657	\$ 73,744
Processing	60,071	56,103
Labour	37,930	32,487
Information access services	4,353	3,743
Interest and other	<u>3,653</u>	<u>1,983</u>
	<u>185,664</u>	<u>168,060</u>
Expenses		
Employee	64,088	53,414
Facilities management fees	1,673	4,964
Administrative and general	11,025	9,390
Equipment rental and maintenance	59,765	56,163
Amortization (note 2)	30,712	24,476
Loss(Gain) on disposal of fixed assets	(263)	735
Interest (note 4)	1,705	918
Research and development	<u>1,564</u>	<u>-</u>
	<u>170,269</u>	<u>150,060</u>
Income before net building operating costs and contribution from the Province of British Columbia	15,395	18,000
Net building operating costs	(3,815)	(4,300)
Contribution from the Province of British Columbia	<u>-</u>	<u>3,800</u>
Net income (note 6)	11,580	17,500
Retained earnings, beginning of year	31,813	19,313
Dividends	<u>(5,000)</u>	<u>(5,000)</u>
Retained earnings, end of year	<u>\$ 38,393</u>	<u>\$ 31,813</u>

See accompanying notes to financial statements.

# BRITISH COLUMBIA SYSTEMS CORPORATION

Statement of Changes in Financial Position  
(expressed in thousands)

	Year ended March 31	
	1993	1992
Cash provided by (used for):		
Operations		
Net income	\$ 11,580	\$ 17,500
Items not involving cash		
Amortization	31,855	25,253
Deferred bond discount and issue costs	14	(40)
Loss(Gain) on disposal of fixed assets	(263)	1,185
Change in non-cash operating working capital	<u>(3,487)</u>	<u>10,737</u>
	<u>39,699</u>	<u>54,635</u>
Financing		
Additions to long-term debt	6,000	39,416
Long-term debt reductions	(9,976)	(19,262)
Short-term borrowings, net of repayments	-	(1,500)
Change in contractual liability for computer equipment	<u>-</u>	<u>(3,366)</u>
	<u>(3,976)</u>	<u>15,288</u>
Investments		
Additions to fixed assets	(30,861)	(66,673)
Proceeds from disposal of fixed assets	<u>553</u>	<u>14,484</u>
	<u>(30,308)</u>	<u>(52,189)</u>
Dividends	<u>(5,000)</u>	<u>(5,000)</u>
Increase in cash	415	12,734
Cash and short-term investments, beginning of year	<u>16,291</u>	<u>3,557</u>
Cash and short-term investments, end of year	<u>\$ 16,706</u>	<u>\$ 16,291</u>

See accompanying notes to financial statements.

# BRITISH COLUMBIA SYSTEMS CORPORATION

## Notes to Financial Statements

Year ended March 31, 1993

### General

British Columbia Systems Corporation, established in 1977 as a Crown Corporation of the Province of British Columbia by the enactment of the System Act, has a mandate to advance the effective and efficient use of information systems in the British Columbia public sector. As a service organization within government, British Columbia Systems Corporation provides shared computer processing, data and voice communication, information access and selected professional services on a competitive basis. In 1992/93, the Corporation received 90% of its revenues from Provincial Government Ministries, with the balance from other government entities.

### 1. Significant accounting policies

#### (a) Statement presentation

As prescribed by Section 9(6) of the System Act, the financial statements of the Corporation are prepared in accordance with generally accepted accounting principles.

#### (b) Accrual accounting

The accrual method of accounting is used in the preparation of these financial statements. Accordingly, revenues are recorded in the period they are earned and expenses are recorded in the period they are incurred.

#### (c) Fixed assets

The Corporation leases some of its computer equipment. Certain of these leases, however, transfer the benefits and risks incident to ownership to the Corporation. In such cases, as more fully described in notes 2 and 4, the leases have been capitalized.

Fixed assets are recorded at cost with the exception of the land, building and building equipment, which are recorded at appraised value plus subsequent additions at cost. The appraisal was prepared on January 18, 1989 and was based on a combination of the income capitalization and the cost summation methods. The appraisal resulted in a reduction in the carrying value of the related assets and in net income for that year.

Fixed assets are amortized over their estimated useful lives as follows:

Building	Over thirty years on a straight-line basis
Building equipment	Over ten years on a straight-line basis
Computer processors	Over terms up to four years on a straight-line basis
Other computer, including software, telecommunications & ancillary equipment	Over terms up to five years on a straight-line basis
Furniture and fixtures	Over ten years on a straight-line basis
Leasehold improvements	Over terms of leases on a straight-line basis



# BRITISH COLUMBIA SYSTEMS CORPORATION

Notes to Financial Statements, page 2

Year ended March 31, 1993

## 1. Significant accounting policies (continued)

### (d) Revenue recognition

Revenue from client use of corporate resources is recognized as the services are performed. Revenue from fixed price contracts is recognized over the terms of the respective contracts.

### (e) Federal and provincial taxes

The Corporation is exempt from Corporate Income Taxes and is not subject to the Goods and Services Tax.

### (f) Sinking funds

Payments made to sinking funds with respect to retirement provisions of the sinking fund bonds and debentures are netted against related debt until such time as the bonds or debentures are redeemed and cancelled. Interest earned on the sinking funds is treated as interest income with a corresponding increase in the sinking funds.

### (g) Amortization of other assets

Discount and issue costs relating to the Province of British Columbia bond Series BCSC-EC-9 are deferred and amortized on a straight-line basis over the term of the bond.

## 2. Fixed assets

(a) During the year, the Corporation acquired fixed assets totalling \$30,861,000 (computer, telecommunications and ancillary equipment - \$27,110,000). The Corporation also disposed of fixed assets with a net book value of \$290,000 (computer, telecommunications and ancillary equipment - \$198,000) for proceeds of \$553,000.

(b) Included in fixed assets is computer equipment arising from the capitalization of certain leases at a cost of \$39,803,000 (1991/92 - \$33,976,000). The related accumulated amortization amounts to \$15,012,000 (1991/92 - \$2,856,000).

(c) The amount of amortization charged to expense in 1992/93 includes a write-down of two computer processors totalling \$2,067,000. This write-down represents a decline in the current market value of the processors.

## 3. Borrowing authority

Pursuant to Section 8(6) of the System Act, the aggregate amount that may be advanced to, or borrowed by, the Corporation shall not exceed \$65,000,000.

# BRITISH COLUMBIA SYSTEMS CORPORATION

Notes to Financial Statements, page 3

Year ended March 31, 1993

## 4. Long-term debt

### (a) Lease capitalization

The minimum annual contractual obligations with respect to capitalized leases are as follows:

1993/94	\$ 10,562,000
1994/95	<u>10,562,000</u>
	21,124,000
Less imputed interest at an average annual rate of 6.75%	<u>1,299,000</u>
Capitalized lease obligations	19,825,000
Less current portion	<u>9,608,000</u>
Long-term portion	<u>\$ 10,217,000</u>

### (b) Bonds and debentures

	<u>Interest rate</u>	<u>Maturity date</u>	<u>Amount</u>
Canada Pension Plan debentures			
Series 1	15.69%	June 2001	\$ 14,007,000
Series 2	16.10%	March 2002	12,500,000
Province of British Columbia bond			
Series BCSC-EC-9	10.00%	June 1996	<u>14,000,000</u>
			40,507,000
Less sinking funds on deposit with the Minister of Finance for the Province of British Columbia (1991/92 - \$9,969,000)			<u>11,944,000</u>
Total debt			28,563,000
Less current portion			<u>885,000</u>
Long-term portion			<u>\$ 27,678,000</u>

Mandatory sinking fund requirements in respect of the above debt for each of the next five years and thereafter are as follows:

	<u>CPP S-1 &amp; 2</u>	<u>Bond BCSC-EC-9</u>	<u>Total</u>
1993/94	\$ 579,000	\$ 306,000	\$ 885,000
1994/95	579,000	306,000	885,000
1995/96	579,000	306,000	885,000
1996/97	579,000	12,776,000	13,355,000
1997/98	579,000	-	579,000
Thereafter	<u>11,974,000</u>	<u>-</u>	<u>11,974,000</u>
	<u>\$ 14,869,000</u>	<u>\$ 13,694,000</u>	<u>\$ 28,563,000</u>

# BRITISH COLUMBIA SYSTEMS CORPORATION

Notes to Financial Statements, page 4

Year ended March 31, 1993

## 4. Long-term debt (continued)

The Province of British Columbia has guaranteed the payment of principal and interest on all long-term debt, with the exception of capitalized leases as in (a) above, issued by the Corporation.

### (c) Interest expense

In 1992/93 the Corporation incurred interest expense totalling \$7,329,000 (1991/92 - \$6,419,000). Of these amounts, \$5,624,000 (1991/92 - \$5,501,000) was allocated to building costs and \$1,705,000 (1991/92 - \$918,000) to the financing of the current operations.

## 5. Commitments

The Corporation has entered into service contracts and facilities leases expiring on various dates to 2001. Future minimum payments under these contracts and leases for each of the next five years and thereafter are as follows:

1993/94	\$ 9,212,000
1994/95	8,420,000
1995/96	6,484,000
1996/97	2,200,000
1997/98	1,566,000
Thereafter	<u>4,019,000</u>
	<u>\$ 31,901,000</u>

## 6. Net Income

Pursuant to Section 8(5) of the System Act, the Lieutenant-Governor in Council may, each fiscal year, on the recommendation of the Minister of Finance, direct the transfer to the Provincial Government of all or part of the net income for the current year or for previous years to the extent not previously so transferred.

## 7. Employee benefit plans

### (a) Pension plan

The Pension (Public Service) Act applies to the Corporation and its officers and employees. Accordingly, the Corporation is required to pay into the Public Service Superannuation Fund amounts prescribed from time to time by Regulation.

# BRITISH COLUMBIA SYSTEMS CORPORATION

Notes to Financial Statements, page 5

Year ended March 31, 1993

## 7. Employee benefit plans (continued)

### (b) Long term disability plan

The Corporation contributes to a multi-employer Long Term Disability Plan established under the Public Service Benefit Plan Act. An actuarial valuation of the Plan as at March 31, 1990 indicates that the Plan had a funding deficiency. However, the Corporation's share of the Plan's actuarial assets (\$1,900,000) and actuarial liabilities (\$100,000) reflects a funding surplus at March 31, 1990. Accordingly, the Corporation will not be required to make contributions to the Plan until the next actuarial valuation which will be performed at March 31, 1993.

## 8. Comparative figures

Certain comparative figures have been reclassified to conform with the method of presentation adopted in the current fiscal year.

**British Columbia Trade Development Corporation****Deloitte &  
Touche**

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P.O. Box 49279  
Four Bentall Centre  
Vancouver, British Columbia  
V7X 1P4

Telephone: (604) 669-4466  
Facsimile: (604) 685-0395

**AUDITORS' REPORT**

To the Lieutenant Governor in Council,  
Province of British Columbia

We have audited the balance sheet of the British Columbia Trade Development Corporation as at March 31, 1993 and the statements of revenues, expenditures and unappropriated equity and changes in financial position for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Chartered Accountants

Vancouver, British Columbia  
May 28, 1993



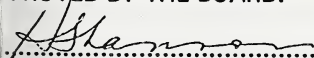
**BRITISH COLUMBIA TRADE DEVELOPMENT CORPORATION**  
**BALANCE SHEET**  
as at March 31, 1993  
(in thousands)

	Notes	1993	1992
<b>CURRENT ASSETS</b>			
Cash and short-term investments		\$2,367	\$2,725
Accounts receivable		710	446
Prepaid expenses		314	87
		3,391	3,258
Loan guarantee reserve fund			
Cash and short-term investments	3	2,956	2,927
Fixed assets	4	831	807
		\$ 7,178	\$ 6,992
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities		\$ 2,009	\$ 1,235
Unexpended program contributions	6	719	861
Deferred revenue		207	317
		2,935	2,413
Loan guarantee reserve fund	3	2,956	2,927
		5,891	5,340
<b>EQUITY</b>			
Market Development Loan Fund	7	-	500
Special Programs	7	135	400
Equity in fixed assets		831	807
Surplus (deficit)		321	(55)
		1,287	1,652
		\$ 7,178	\$ 6,992

Commitments

9

APPROVED BY THE BOARD:

.....Director

.....Director



**BRITISH COLUMBIA TRADE DEVELOPMENT CORPORATION**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND UNAPPROPRIATED EQUITY**  
year ended March 31, 1993  
(in thousands)

	Notes	1993	1992
<b>Revenues</b>			
Provincial contributions	1	\$12,128	\$10,429
Operating revenue, net of costs of \$36,300 (1992 - \$211,300)		1,440	976
Interest		185	336
		<b>13,753</b>	<b>11,741</b>
<b>Expenditures</b>			
Salaries and benefits		6,951	5,096
Programs		2,510	2,397
Rent		1,880	984
Office		1,041	1,018
Professional services		744	1,054
Travel		348	340
Promotion		324	346
Depreciation		217	188
Data processing		58	365
Other		41	60
Loss on investment and advances	5	4	66
		<b>14,118</b>	<b>11,914</b>
Excess of expenditures over revenues		(365)	(173)
Unappropriated equity beginning of year		752	925
Transfers from Appropriated Surplus			
Market Development Loan Fund	7	500	-
Special Programs	7	265	-
<b>UNAPPROPRIATED EQUITY, END OF YEAR</b>		<b>\$ 1,152</b>	<b>\$ 752</b>
Unappropriated Equity consists of:			
Equity in fixed assets		\$ 831	\$ 807
Surplus (deficit)		321	(55)
		<b>\$ 1,152</b>	<b>\$ 752</b>

**BRITISH COLUMBIA TRADE DEVELOPMENT CORPORATION**  
**STATEMENT OF CHANGES IN FINANCIAL POSITION**  
year ended March 31, 1993  
(in thousands)

	1993	1992
<b>NET OUTFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess of expenditures over revenues	\$ (365)	\$ (173)
Add items not affecting cash		
Depreciation	217	188
Loss on investment and advances	4	66
	(144)	81
Changes in non-cash operating working capital items		
Accounts receivable	(264)	(92)
Prepaid expenses	(227)	(83)
Accounts payable and accrued liabilities	774	(697)
Unexpended program contributions	(142)	575
Deferred revenue	(110)	76
	(113)	(140)
<b>VESTING</b>		
Fixed assets	(241)	(152)
Investment and advances	(4)	(66)
	(245)	(218)
<b>NET CASH OUTFLOW</b>	(358)	(358)
<b>CASH POSITION, BEGINNING OF YEAR</b>	2,725	3,083
<b>CASH POSITION, END OF YEAR</b>	\$ 2,367	\$ 2,725

**BRITISH COLUMBIA TRADE DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 year ended March 31, 1993  
 (tables in thousands)

## 1. NATURE OF BUSINESS

British Columbia Trade Development Corporation (the "Corporation") is established under the Trade Development Act. The principle role of the Corporation is to promote the sale of British Columbia goods and services to markets outside British Columbia by providing advice and assistance to export enterprises on terms and conditions the Corporation considers advisable.

Effective November 1, 1992 responsibility of the International Operations of the Ministry of Economic Development, Small Business, & Trade (MEDSBT) was transferred to the Corporation and the responsibility for the Corporation's Business Information Centre was transferred to the MEDSBT. The operating results reflect five months and seven months respectively of these operations. \$2,380,000 in net grant revenue was transferred to the Corporation to fund these operations for the current fiscal year.

## 2. SIGNIFICANT ACCOUNTING POLICIES

As prescribed by Section 9(6) of the Trade Development Corporation Act, the financial statements of the Corporation are prepared according to generally accepted accounting principles and include the following significant accounting policies:

### a) Provincial contributions

The Corporation's principle source of revenue is provincial contributions from the Province of British Columbia to fund its operating and capital requirements. Provincial contributions are recorded as revenue in the period in which they are received.

### b) Fixed assets

Fixed assets are recorded at cost and depreciated on a straight-line basis over the estimated useful life of the assets, at the following annual rates:

Furniture and equipment	20%
Computer software	33%
Automobiles	33%
Leasehold improvements	Over lease term

### c) Loan guarantee fees

Loan guarantee fees are deferred and amortized over the term of the guarantee.

### d) Foreign Currency Translation

Asset and liabilities denominated in foreign currency have been translated into Canadian dollars at the rate of exchange as at the balance sheet date, and revenue and expenses are translated at the average rate of exchange for the period of operations. All foreign exchange gains or losses are included in income.

**BRITISH COLUMBIA TRADE DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
year ended March 31, 1993  
(tables in thousands)

### LOAN GUARANTEE RESERVE FUND

The Trade Development Corporation Act authorizes the Corporation to administer the Province of British Columbia's Export Loan Guarantee Program. Funding is provided by grants from the Province of British Columbia. Transactions during the year were as follows:

	1 9 9 3	1 9 9 2
Balance beginning of year	\$ 2,927	\$ 2,280
Add:		
Provincial Grant	-	750
Interest	194	192
Deduct:		
Guarantee called	<u>(165)</u>	<u>(295)</u>
Balance end of year	<u>\$ 2,956</u>	<u>\$ 2,927</u>

The Corporation has outstanding guarantees as at March 31, 1993 amounting to approximately \$18,400,000 (1992 - \$18,600,000) with respect to the Export Loan Guarantee Program. Default of any guarantees are funded by the Loan Guarantee Reserve Fund with any additional deficiency underwritten by the Province of British Columbia.

To March 31, 1993, losses of \$165,300 were incurred on guarantees that expired during the year. With the exception of three guarantees totalling \$1,170,000, the outstanding guarantees are in good standing.

### FIXED ASSETS

	<u>Cost</u>	<u>Accumulated Depreciation</u>	1 9 9 3 <u>Net Book Value</u>	1 9 9 2
Furniture and equipment	\$ 992	\$ 410	\$ 582	\$ 536
Computer software	38	15	23	14
Automobiles	28	28	-	6
Leasehold improvements	<u>339</u>	<u>113</u>	<u>226</u>	<u>251</u>
	<u>\$1,397</u>	<u>\$ 566</u>	<u>\$ 831</u>	<u>\$ 807</u>

### INVESTMENT AND ADVANCES

The Corporation acquired 50% of the issued and outstanding shares of Hong Kong Gift Services Ltd. or \$34,000 in 1992 and advanced \$4,000 during 1993 (1992 - \$32,400) under a non-revolving line of credit. These amounts are not recoverable and have been written off. The shares have been transferred for \$1.00 to another shareholder of Hong Kong Gift Services Ltd.



**BRITISH COLUMBIA TRADE DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
year ended March 31, 1993  
(tables in thousands)

## 6. UNEXPENDED PROGRAM CONTRIBUTIONS

Included in programs expenditures are \$719,000 (1992 - \$861,200) applicable to projects in progress at March 31, 1993. These projects, which were included in the 1992/93 Business Plan, commenced during the year, but were not completed prior to March 31, 1993. The \$719,000 is the estimated cost to complete these projects.

## 7. APPROPRIATIONS

### a) Market Development Loan Fund

In 1991, the Corporation established a Market Development Loan Fund to assist British Columbia companies who are engaged in developing projects for export markets. As the Corporation will not implement this program the fund has been returned to unappropriated equity.

### b) Special Programs

In 1992 the Corporation appropriated \$400,000 to establish a program to market the services and expertise of Crown Corporations and Provincial Ministries. The cost to fund this program was revised to \$150,000 and the remaining \$250,000 was returned to unappropriated equity.

	1993	1992
Balance beginning of year	\$ 400	\$ 400
Returned to unappropriated equity	(250)	-
Appropriations utilized during the year	(15)	-
	(265)	-
Balance end of year	\$ 135	\$ 400

## 8. RELATED PARTY TRANSACTIONS

Included in expenses are rent payments of \$1,100,000 (1992 - \$987,000) to British Columbia Buildings Corporation and telephone and computing service payments of \$270,000 (1992 - \$594,000) to British Columbia Systems Corporation.

## 9. COMMITMENTS

The Corporation has entered into facilities leases expiring on various dates to 1999. Minimum annual payments under these agreements over the next five years are as follows:

1994	\$2,565
1995	\$1,557
1996	\$1,307
1997	\$1,059
1998	\$1,006

**BRITISH COLUMBIA TRADE DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
year ended March 31, 1993  
(tables in thousands)

**1. SEGMENTED INFORMATION**

Effective November 1, 1992, the Corporation conducted operations from nine foreign office locations as well as its British Columbia based office.

	<u>British Columbia</u>	<u>Foreign Offices</u>	<u>Total</u>
Revenues			
Provincial contributions	\$ 9,940	\$ 2,188	\$12,128
Other revenues	<u>1,247</u>	<u>378</u>	<u>1,625</u>
	<u>11,187</u>	<u>2,566</u>	<u>13,753</u>
Expenditures			
Salaries and benefits	5,670	1,281	6,951
Programs	2,510	-	2,510
Rent	1,072	808	1,880
Office	764	277	1,041
Professional	637	107	744
All other expenses	<u>899</u>	<u>93</u>	<u>992</u>
	<u>11,552</u>	<u>2,566</u>	<u>14,118</u>
Excess of expenditures over revenue	<u>\$ (365)</u>	<u>\$ -</u>	<u>\$ (365)</u>
Identifiable assets at end of year	<u>\$ 6,280</u>	<u>\$ 898</u>	<u>\$ 7,178</u>



**British Columbia Transit****Coopers  
& Lybrand**

chartered accountants

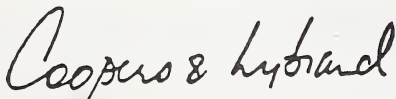
a member firm of  
Coopers & Lybrand (International)**AUDITORS' REPORT****To the Members of the Board of Directors of British Columbia Transit**

We have audited the consolidated balance sheet of British Columbia Transit as at March 31, 1993 and the consolidated statements of revenue and expenditures and accumulated net revenue, contributed surplus, changes in financial position, and the statement of changes in regional transit funds for the year then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of British Columbia Transit as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

The consolidated financial statements as at March 31, 1992 and for the year then ended were audited by other auditors, who expressed an opinion without reservation on those financial statements in their report dated May 13, 1992.



Vancouver, B.C.  
May 14, 1993

# BRITISH COLUMBIA TRANSIT

## CONSOLIDATED BALANCE SHEET

March 31

	1993	1992
	(\$000)	(\$000)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Short-term investments	\$ 3,799	\$ 7,047
Accounts receivable		
Province of British Columbia	16,788	14,087
Municipalities	35,941	32,989
Sundry	2,722	2,508
Parts inventory	11,639	13,023
Prepaid expenditures	5,709	5,433
	<u>76,598</u>	<u>75,087</u>
MORTGAGE RECEIVABLE	449	640
LONG TERM INVESTMENTS (market value - \$5,385)	5,319	--
DEBT SINKING FUND (note 8)	<u>175,992</u>	<u>143,365</u>
<b>FIXED ASSETS</b>		
SkyTrain (note 3)	1,200,890	1,198,914
Land, buildings and equipment (note 4)	364,928	348,105
	<u>1,565,818</u>	<u>1,547,019</u>
	<u>\$ 1,824,176</u>	<u>\$ 1,766,111</u>
<b>REGIONAL TRANSIT FUNDS</b>		
Cash and term deposits	\$ 14,737	\$ 28,621
Accounts receivable and accrued interest	6,544	5,626
	<u>\$ 21,281</u>	<u>\$ 34,247</u>

APPROVED BY THE BOARD:

Director Valerie Leacock

Director Dick Johnson

	March 31	
	1993	1992
	(\$000)	(\$000)
LIABILITIES, EQUITY AND FUND BALANCES		
CURRENT LIABILITIES		
Cheques issued in excess of funds on deposit	\$ 1,480	\$ 1,846
Accounts payable and accrued liabilities	86,707	98,494
Notes payable (note 5)	247,437	234,816
Current portion of long-term debt	5,779	4,254
Current obligations under capital leases	9,230	8,179
	<u>350,633</u>	<u>347,589</u>
LONG-TERM DEBT (note 6)	<u>1,084,514</u>	<u>1,017,012</u>
OBLIGATIONS UNDER CAPITAL LEASES (note 7)	<u>184,349</u>	<u>195,076</u>
EQUITY		
Contributed surplus	190,971	194,909
Accumulated net revenue	13,709	11,525
	<u>204,680</u>	<u>206,434</u>
	<u>\$ 1,824,176</u>	<u>\$ 1,766,111</u>
Payable to BC Transit	\$ 32,264	\$ 29,476
Fund Balances (Deficit)	(10,983)	4,771
	<u>\$ 21,281</u>	<u>\$ 34,247</u>

## BRITISH COLUMBIA TRANSIT

CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURES  
AND ACCUMULATED NET REVENUE

	Year ended March 31	
	1993	1992
	(\$000)	(\$000)
Revenue		
Operations	\$ 153,307	\$ 144,028
Investments	24,710	12,806
	<u>178,017</u>	<u>156,834</u>
Expenditures		
Operations and maintenance	283,599	258,039
Administration	45,582	48,794
Interest on long-term debt	113,240	110,369
Interest on obligations under capital leases	18,865	20,919
Other interest	10,853	11,783
Depreciation and amortization	49,593	46,449
Property leases and taxes	7,641	7,107
	<u>529,373</u>	<u>503,460</u>
	<u>(351,356)</u>	<u>(346,626)</u>
Recoveries		
Contributions from the Province of British Columbia	191,956	188,423
Contributions from municipalities	120,417	115,858
Provincial grant - debt servicing assistance	35,459	39,024
Amortization of contributed surplus to offset depreciation charged on contributed assets	3,524	3,321
	<u>351,356</u>	<u>346,626</u>
NET REVENUE FROM TRANSIT OPERATIONS	--	--
Other		
Realization of contributed surplus on disposition of contributed assets	413	(6)
Gain (loss) on disposal of fixed assets	(795)	2,981
Net income from insurance operations	2,566	1,064
	<u>2,184</u>	<u>4,039</u>
NET REVENUE	2,184	4,039
Accumulated net revenue at beginning of year	<u>11,525</u>	<u>7,486</u>
ACCUMULATED NET REVENUE AT END OF YEAR	<u>\$ 13,709</u>	<u>\$ 11,525</u>

## BRITISH COLUMBIA TRANSIT

## CONSOLIDATED STATEMENT OF CONTRIBUTED SURPLUS

	Year ended March 31	
	1993	1992
	((\$000))	(\$000)
APPRAISAL INCREASE CREDITS		
Balance at beginning of year	\$ 175,785	\$ 179,131
Amount transferred to statement of revenue and expenditures and accumulated net revenue to offset depreciation charged on contributed assets	(3,525)	(3,321)
Realization on disposition of contributed assets	(413)	(25)
	<u>171,847</u>	<u>175,785</u>
OTHER CONTRIBUTED SURPLUS		
Balance at beginning of year	19,124	19,093
Increase on disposition of contributed assets	--	31
	<u>19,124</u>	<u>19,124</u>
BALANCE AT END OF YEAR	<u>\$ 190,971</u>	<u>\$ 194,909</u>

## BRITISH COLUMBIA TRANSIT

## CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended March 31	
	1993	1992
	(\$000)	(\$000)
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Net revenue	\$ 2,184	\$ 4,039
Items not involving cash		
Depreciation and amortization	49,593	46,449
Amortization of bond discount	627	(19)
Amortization of contributed surplus to offset depreciation charged on contributed assets	(3,524)	(3,321)
Realization of contributed surplus on disposition of contributed assets	(413)	6
Loss (gain) on disposal of fixed assets	795	(2,981)
	49,262	44,173
Changes in non-cash operating working capital	(9,058)	(3,602)
	40,204	40,571
FINANCING		
Increase (decrease) in		
Capital leases	(9,676)	(6,684)
Notes payable	12,621	45,492
Long-term debt	68,400	98,600
Increase in debt sinking fund	(32,627)	(36,625)
Decrease (increase) in mortgage receivable	191	(180)
	38,909	100,603
INVESTMENTS		
Changes in accounts payable of capital projects	(7,488)	4,226
Short-term investments	3,248	(2,387)
Long-term investments	(5,319)	--
Proceeds from sale of fixed assets	190	4,059
Additions to		
SkyTrain	(32,760)	(74,006)
Land, buildings and equipment	(36,618)	(68,674)
	(78,747)	(136,782)
DECREASE IN CASH DEFICIENCY	366	4,392
Cash deficiency at beginning of year	1,846	6,238
CASH DEFICIENCY AT END OF YEAR	\$ 1,480	\$ 1,846



## BRITISH COLUMBIA TRANSIT

## STATEMENT OF CHANGES IN REGIONAL TRANSIT FUNDS

	Year ended March 31			
			1993	1992
	Vancouver	Victoria	Total	Total
	(\$000)	(\$000)	(\$000)	(\$000)
FUND BALANCE AT BEGINNING OF YEAR	\$ 1,319	\$ 3,452	\$ 4,771	\$ 22,868
Revenue				
Gas tax	50,897	--	50,897	47,442
Non-residential property tax	26,853	--	26,853	24,049
Power levy	13,540	4,574	18,114	16,907
Interest earned	1,037	252	1,289	2,932
	92,327	4,826	97,153	91,330
	93,646	8,278	101,924	114,198
Contribution to shareable deficit	(106,389)	(6,518)	(112,907)	(109,427)
FUND BALANCE AT END OF YEAR	\$ (12,743)	\$ 1,760	\$ (10,983)	\$ 4,771

**BRITISH COLUMBIA TRANSIT****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 1993****1. AUTHORITY**

British Columbia Transit ("BC Transit") is established under the British Columbia Transit Act, as amended, to operate the urban transit systems in the Province of British Columbia.

In accordance with the Vancouver and Victoria Regional Transit Commission regulations, BC Transit is responsible for the administration of all funds raised by certain tax levies. The financial position and changes during the year in these funds are set out in the Consolidated Balance Sheet and in the Statement of Changes in Regional Transit Funds.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements are prepared in accordance with generally accepted accounting principles appropriate for BC Transit. The significant accounting policies are set out hereunder:

- (a) **Basis of presentation**  
These consolidated financial statements include the accounts of BC Transit and its wholly owned subsidiary, BC Transit Captive Insurance Company Inc., which was formed to provide certain types of insurance coverage solely to BC Transit.
- (b) **Parts inventory**  
Parts inventory is valued at the lower of average cost and replacement value.
- (c) **Long-term investments**  
Long-term investments are recorded at the lower of amortized cost or market, with any premium or discount on purchase being amortized over the term to maturity of each investment.
- (d) **Fixed assets**  
Fixed assets have been recorded as follows:
  - (i) Fixed assets transferred from the Province of British Columbia in fiscal year 1980, at their appraised value at June 30, 1979.
  - (ii) Revenue vehicles acquired from BC Hydro, at their appraised value at March 1, 1980.

## BRITISH COLUMBIA TRANSIT

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (d) Fixed assets (Continued)

- (iii) SeaBuses, the South Shore and North Shore SeaBus Terminals, acquired from the Province of British Columbia, at appraised values. At August 18, 1987, the SeaBuses were reappraised by Robert Allan Ltd., as a result of which, fixed assets and contributed surplus were both increased by \$1,950,000. The other appraisals were carried out at various dates between July 15, 1980 and June 30, 1981.
- (iv) The trolley overhead system acquired from BC Hydro on January 1, 1984, at its nominal value of \$1.
- (v) Land, land improvements, buildings and equipment acquired from BC Hydro at appraised value. These appraisals were carried out at various dates between April 1, 1980 and April 1, 1982.

All appraisals are fair market value appraisals with the exception of the appraisal of buildings and land improvements, which are appraised at depreciated replacement cost.

- (vi) All other fixed assets, at cost, including capitalized interest as indicated in note 2(e).
  - (vii) Depreciation and amortization are provided on the basis that results in a matching of these charges with BC Transit's statutory power to recover the cost of the related assets. Contributed assets are not subject to recovery and are depreciated over their estimated useful lives by the sinking fund method. All assets are depreciated over a period not exceeding their estimated remaining useful lives.
- (e) Capitalization of interest  
Interest, incurred in connection with capital acquisitions from the date of advance of funds until the assets are placed in service for transit purposes, is capitalized. Interest of \$7,980,000 (1992, \$6,269,000) was capitalized during the year ended March 31, 1993.
- (f) Amortization of bond discounts  
Bond discounts are amortized on a straight-line basis over the term of the debt.
- (g) Amortization of contributed surplus  
Contributed surplus (appraisal increase credits) is being amortized and reflected in net revenue at an amount equal to the depreciation charged on those assets for which BC Transit does not have statutory power to obtain full recovery from operations.

## BRITISH COLUMBIA TRANSIT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 3. SKYTRAIN

	1993			1992
	Carrying Value	Accumulated depreciation and amortization	Net	Net
	(\$000)	(\$000)	(\$000)	(\$000)
Vancouver -				
New Westminster Phase				
Property and construction	851,101	150,133	700,968	726,644
Vehicles and equipment under capital lease	159,502	19,830	139,672	143,241
	<u>1,010,603</u>	<u>169,963</u>	<u>840,640</u>	<u>869,885</u>
New Westminster -				
Scott Road Phase				
Property and construction	202,011	9,775	192,236	194,240
Vehicles	41,388	1,597	39,791	40,234
	<u>243,399</u>	<u>11,372</u>	<u>232,027</u>	<u>234,474</u>
Capital projects in progress				
Scott Road-Whalley Phase	127,034	--	127,034	93,594
Coquitlam Phase	1,189	--	1,189	961
	<u>128,223</u>	<u>--</u>	<u>128,223</u>	<u>94,555</u>
	<u>\$1,382,225</u>	<u>\$ 181,335</u>	<u>\$1,200,890</u>	<u>\$1,198,914</u>

BC Transit has approved funding for the Scott Road - Whalley Phase of \$160,000,000 (including interest). At March 31, 1993, \$127,034,000 has been expended and an additional \$7,382,000 has been committed.

## BRITISH COLUMBIA TRANSIT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 4. LAND, BUILDINGS AND EQUIPMENT

	1993			1992
	Carrying value	Accumulated depreciation and amortization	Net	Net
	(\$000)	(\$000)	(\$000)	(\$000)
Land	\$ 54,799	\$ --	\$ 54,799	\$ 54,797
Land improvements	13,329	2,690	10,639	10,921
Buildings	68,214	8,542	59,672	59,632
Revenue vehicles	162,875	31,927	130,948	99,386
Revenue vehicles under capital leases	85,479	25,751	59,728	66,208
Equipment	44,195	7,768	36,427	25,392
Capital projects in progress	12,715	--	12,715	31,768
	<u>\$ 441,606</u>	<u>\$ 76,678</u>	<u>\$ 364,928</u>	<u>\$ 348,101</u>

At March 31, 1993, \$4,735,000 has been committed for capital projects in progress.

## 5. NOTES PAYABLE

	1993	1992
	(\$000)	(\$000)
Commercial paper with the Province of British Columbia, 5.97% weighted average interest rate	\$231,831	\$234,816
Zero coupon note payable, principal of \$17,000,000 due March 22, 1994	15,606	--
	<u>\$247,437</u>	<u>\$234,816</u>



## BRITISH COLUMBIA TRANSIT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 5. LONG-TERM DEBT

	1993	1992
	(\$000)	(\$000)
Debentures, 10.91% weighted-average interest rate, due November 25, 1997 to July 10, 2009	\$ 989,846	\$ 945,046
7.00% Bond payable, due March 2, 1998	25,000	--
11.125% Bond payable, due December 1, 1998	50,000	50,000
8.75% Bond payable, due January 15, 2009	25,000	25,000
	1,089,846	1,020,046
Less unamortized bond discount	9,353	9,980
	1,080,493	1,010,066
12.25% Serial debenture, principal of \$1,400,000 plus interest payable annually, due January 31, 1996	9,800	11,200
	1,090,293	1,021,266
Less current portion	5,779	4,254
	<u>\$ 1,084,514</u>	<u>\$ 1,017,012</u>

Long-term debt is guaranteed by the Province of British Columbia.

Effective April 1, 1986, BC Transit entered into an agreement whereby the Province of British Columbia makes grants of principal and interest payments on \$275,000,000 of the long-term debt, representing approximately 50% of the SkyTrain guideway and station construction costs for the Vancouver-New Westminster phase. In 1993 these payments aggregated \$35,459,000 (1992, \$39,024,000).

Sinking fund and serial debenture payments due in each of the next five years are approximately as follows (\$000):

1994	\$ 5,779
1995	\$ 5,779
1996	\$ 11,379
1997	\$ 4,379
1998	\$ 4,379



## BRITISH COLUMBIA TRANSIT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 7. OBLIGATIONS UNDER CAPITAL LEASES

The obligations under capital leases, which mature at various dates from 1994 to 2007, represent the total present value of future minimum lease payments discounted at the interest rates implicit in the leases at the commencement of the lease term. These rates vary with prime and during the year ranged from 2.47% to 12.16%.

Obligations under capital leases totalling approximately \$190,497,000 are guaranteed by the Province of British Columbia.

Future minimum lease payments together with the balance of the obligations under capital leases as of March 31, 1993 are approximately as follows (\$000):

1994	\$ 27,000
1995	26,991
1996	27,287
1997	26,879
1998	26,991
1999 - 2007	<u>208,757</u>
	343,905
Less interest amount	<u>150,326</u>
	193,579
Less current portion	<u>9,230</u>
	<u>\$ 184,349</u>

## 8. DEBT SINKING FUND

Contributions to sinking fund investments administered by the Province of British Columbia are made for all long-term debt obligations. Contributions to sinking funds administered by the company are made for all short-term debt obligations incurred to finance fixed assets in service. Investments in the sinking funds, including interest earned, are used to repay the debt at maturity.

**BRITISH COLUMBIA TRANSIT****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****CONTINGENT LIABILITIES**

BC Transit has been designated a municipal transit authority for GST purposes. BC Rapid Transit Co. Ltd (BCRTC), a limited company whose shares are wholly owned by the Province of British Columbia, applied for similar GST designation. In May 1992, Revenue Canada declined this request and considered BCRTC a contractor to BC Transit. They have issued Notices of Assessment to BCRTC to collect GST on all its expenditures incurred on behalf of BC Transit. Notices of Objection have been filed with Revenue Canada. If this issue is not resolved in BC Transit's favour, the retroactive assessment, including interest and penalties, would total approximately \$2 million by March 31, 1993. Should any amount become payable it will be reflected in the financial statements in the period of settlement.

**RELATED PARTY TRANSACTIONS**

During the year, BC Transit paid \$33,201,000 (1992, \$32,462,000) to reimburse BCRTC for all the operating expenditures incurred. The amount receivable from BCRTC at March 31, 1993 was \$2,316,000 (1992, \$1,568,000).

**British Columbia Year of Music Society**

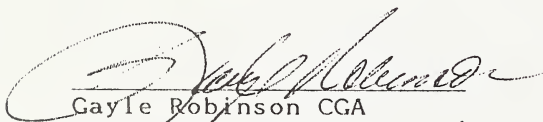
## Review Report

The Directors,  
British Columbia Year of Music Society

I have prepared the balance sheet of the British Columbia Year of Music Society as at March 31, 1993 and the statement of revenues and expenditures for the year then ended.

These statements were prepared from a review of bank statements over the past year and reflect the dissolution of the British Columbia Year of Music Society.

Submitted by:



Gayle Robinson CGA  
Manager of Finance

Date: 

BRITISH COLUMBIA YEAR OF MUSIC SOCIETY  
Balance Sheet

March 31, 1993

## ASSETS

## Current assets:

Cash (Note 4)	\$	0
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	\$	0
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## LIABILITIES

## Current liabilities and Net Assets:

Accounts payable	\$	0
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Net Assets	\$	0
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	\$	0
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See accompanying notes to financial statements.

On behalf of the Board:

  
\_\_\_\_\_  
Director  
\_\_\_\_\_  
Director

Unaudited.

BRITISH COLUMBIA YEAR OF MUSIC SOCIETY  
Statement of Income

Year ended March 31, 1993

## Revenue:

Government(note 2)	\$	3,919
Gate receipts(note 3)		4,128
Other		984
<hr/>		
Revenues, end of period	\$	9,031

## Expenditures:

## Operations:

Salaries	\$	12,493
Administration		4,077
	\$	16,570

## Professional Fees:

Liquidation	\$	3,271
Auditing		16,827
Accounting		3,921
	\$	24,019

Expenditures end of period	\$	40,589
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Unaudited.

## BRITISH COLUMBIA YEAR OF MUSIC SOCIETY

Notes to Financial Statements  
March 31, 1993

## 1. Significant accounting policies:

## (a) General

The British Columbia Year of Music Society was incorporated under the Society Act of British Columbia on March 6, 1989. Activities commence on April 3, 1989. The purpose of the Society was to promote tourism in the Province of British Columbia by developing, managing, operating and promoting a musical extravaganza in 1991.

Upon the winding-up and dissolution of the Society, the remaining property of the Society was returned to the Government of British Columbia.

The Society was dissolved March 1993.

Comparative financial figures have not been prepared because the operations of the past year have concentrated on dissolution of the Society and the expenditures and refunds collected represent dissolution rather than the operation of the program.

2. Refunds collected from Government represent G.S.T, P.S.T. and adjustments to payroll.
3. TicketMaster funds collected represent refunds on deposits and invoices collected.

4. Disbursement of Cash(Bank):	Opening Balance	\$72,179
	Collections	9,031
	Expenditures	40,589
Returned to Minister of Finance		40,621
		<hr/>
Bank		\$ 0
		<hr/>



# Cloverdale Historic Transportation Society of B.C.

## Cloverdale Historic Transportation Society of B.C.

Balance Sheet (Unaudited)  
As at March 31, 1993

	1993	1992
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	—	\$18,755
Accounts receivable	—	51,694
Inventories	—	2,477
Prepaid expenses	—	15,059
	—	87,985
<b>Fixed Assets</b>	—	—
	—	\$87,985
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	—	\$71,141
Deferred revenue	—	2,860
	—	74,001
<b>ACCUMULATED SURPLUS</b>	—	13,984
	—	\$87,985

# Cloverdale Historic Transportation Society of B.C.

## Statement of Revenue and Expenses (Unaudited)

### For the Year Ended March 31, 1993

	1993	1992
General Revenue – Schedule 1	40,757	141,177
Direct Expenses	(5,212)	(12,060)
	35,545	129,117
Revenue from Provincial Government		
B.C. Pavilion grant	91,616	756,887
Total Revenue	127,161	886,004
Expenses – Schedule 2		
Salaries, wages and benefits	52,638	182,658
Facilities	68,177	323,412
Operating	19,578	133,086
Marketing and promotion	752	72,367
Railway spur line	–	(28,500)
Restoration	–	13,859
Total Expenses	141,145	696,882
	(13,984)	189,122
Write – off of Fixed Assets	–	(228,260)
Excess (Deficiency) of Revenue		
Over Expenses	(\$13,984)	(\$39,138)

Cloverdale Historic Transportation Society of B.C

Statement of Accumulated Surplus (Unaudited)

For the Year Ended March 31, 1993

	1993	1992
Balance – Beginning of Year	\$13,984	\$53,122
Excess (deficiency) of revenue over expenses	(13,984)	(39,138)
Balance – End of Year	-	\$13,984

Schedule 1

**Cloverdale Historic Transportation Society of B.C.****Schedule of General Revenue**  
**For the Year Ended March 31, 1993** (Unaudited)

	1993	1992
Gift shop sales	\$5,287	\$18,569
Less: Cost of sales	(3,132)	(12,583)
	2,155	5,986
Admissions	21,043	57,272
Rentals	17,505	49,667
Donations and sundries	54	3,533
Corporate Sponsorship	—	24,583
Investment income	—	136
<b>Total General Revenue</b>	<b>\$40,757</b>	<b>\$141,177</b>

**Cloverdale Historic Transportation Society of B.C.****Schedule of Expenses****(Unaudited)****For the Year Ended March 31, 1993**

	1993	1992
<b>Salaries, Wages, and Benefits</b>		
Salaries and wages		
Administration and other	\$30,865	\$139,683
Gift shop	3,286	16,796
Employee benefits	5456	26,179
Severance	13,031	—
	<u>52,638</u>	<u>182,658</u>
<b>Facilities</b>		
Rent	54,153	267,017
Maintenance and security	4,745	9,594
Utilities	9,279	46,801
	<u>68,177</u>	<u>323,412</u>
<b>Operating</b>		
Depreciation	—	49,296
Materials, supplies and other	5,563	41,235
Vehicle gas, repairs and insurance	2,199	2,321
Accounting and legal	3,080	10,439
Telephone	2,463	8,235
Dues, fees, licences and subscriptions	2,720	2,623
Exhibits	890	4,176
Office supplies and postage	505	7,110
Mileage and travel	145	2,045
Insurance	1,140	4,413
Bank Charges	552	1,193
Bad debts	321	—
	<u>19,578</u>	<u>133,086</u>
<b>Marketing and Promotion</b>		
Public program and special events	—	22,441
Advertising	752	49,926
	<u>752</u>	<u>72,367</u>
<b>Restoration</b>	—	13,859
<b>Railway Spur Line</b>	—	(28,500)
<b>Total Expenses</b>	<u>141,145</u>	<u>696,882</u>

# **Cloverdale Historic Transportation Society of B.C.**

## **Notes to Financial Statements (Unaudited)**

### **For the Year Ended March 31, 1993**

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#### **1. Cessation of Operations**

The Provincial Government announced in the March 1992 budget that funding would no longer be available to operate the Transportation Museum. As a result, the museum closed on June 30, 1992 and termination of the premises lease was negotiated effective on that date and costs incurred after that date have been the responsibility of the Royal British Columbia Museum, the owner of the vehicle collection.

#### **2. Significant Accounting Policies**

##### **Inventories**

Inventories are recorded at the zero net realizable value.

##### **Donations**

Donations are recorded when received by the Society

#### **3. Commitments**

The society has no commitments outstanding



**Creston Valley Wildlife Management Authority Trust Fund**

Auditor General of British Columbia

**AUDITOR'S REPORT**8 Bastion Square  
Victoria, British Columbia  
V8V 1X4(604) 387-6803  
Fax (604) 387-1230

*To the Members of the  
Creston Valley Wildlife Management Authority, and*


*To the Minister of Environment, Lands and Parks,  
Province of British Columbia:*

I have audited the balance sheet of the Creston Valley Wildlife Management Authority Trust Fund as at March 31, 1993 and the statement of revenue, expenditure, and fund balance for the year then ended. These financial statements are the responsibility of the Trust Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Trust Fund derives revenue from Wildlife Centre admissions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of this revenue was limited to the amounts recorded in the records of the Trust Fund and I was not able to determine whether any adjustments might be necessary to Wildlife Centre revenue, excess of expenditure over revenue, assets, and fund balance with regard to amounts, if any, which are not currently recorded in the financial statements.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Trust Fund as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

  
George L. Morfitt, FCA  
Auditor General

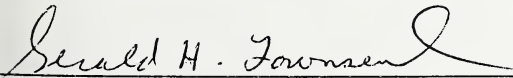
*Victoria, British Columbia  
June 15, 1993*

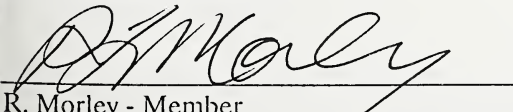
CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND  
BALANCE SHEET  
AS AT MARCH 31, 1993

	<u>1993</u>	<u>1992</u>
ASSETS		
Cash	\$ 19,061	\$ 11,361
Short-term investments - at market value	73,674	80,835
Accounts receivable	22,425	3,671
Grants receivable	-	26,520
Inventory	-	21,622
Prepaid expenses	<u>6,934</u>	<u>5,378</u>
	122,094	149,387
Long-term investments		
(market value - \$0; 1992 - \$51,982)	-	51,184
Fixed assets	<u>1</u>	<u>1</u>
	<u>\$122,095</u>	<u>\$200,572</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 31,078	\$ 49,571
Note payable (note 2)	-	24,622
Deferred revenue	1,132	-
Refundable security deposits	<u>7,276</u>	<u>6,597</u>
	39,486	80,790
FUND BALANCE	<u>82,609</u>	<u>119,782</u>
	<u>\$122,095</u>	<u>\$200,572</u>

The accompanying notes are an integral part of these financial statements.

Approved by the Management Authority:

  
G. Townsend - Chairman

  
R. Morley - Member

CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND  
STATEMENT OF REVENUE, EXPENDITURE, AND FUND BALANCE  
FOR THE YEAR ENDED MARCH 31, 1993

	<u>1993</u>	<u>1992</u>
REVENUE		
Grants (note 3)	\$203,473	\$226,612
Interest	9,406	13,784
Operations		
Wildlife Centre	15,700	12,063
Donations	13,707	8,718
Other operations	30,400	47,930
Gain on sale of securities	3,676	1,872
Gain on sale of fixed assets	<u>6,782</u>	<u>-</u>
	<u>70,265</u>	<u>70,583</u>
	<u>283,144</u>	<u>310,979</u>
EXPENDITURE		
Wildlife Centre & public services	105,940	98,851
Special projects (note 4)	-	25,344
Wildlife and habitat management	104,261	122,191
Overhead and support services	104,350	115,144
Other expenses	3,030	16,834
Equipment, machinery and furniture	318	5,182
Severance	<u>2,418</u>	<u>10,325</u>
	<u>320,317</u>	<u>393,871</u>
EXCESS OF EXPENDITURE OVER REVENUE FOR THE YEAR	(37,173)	(82,892)
FUND BALANCE - Beginning of the Year	<u>119,782</u>	<u>202,674</u>
FUND BALANCE - End of the Year	<u>\$ 82,609</u>	<u>\$119,782</u>

CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1993

1. SIGNIFICANT ACCOUNTING POLICIES

Trust Fund

The Creston Valley Wildlife Management Authority was established by the Creston Valley Wildlife Act. The Trust Fund is established by Section 20 of the Act and includes all funds of the Management Authority, except money appropriated by the legislature otherwise than by way of grants to the Trust Fund. All money of the Trust Fund is to be applied for wildlife conservation, management, and development in the Creston Valley Wildlife Management Area. Continued operation of the Management Authority is dependent on increased revenues. Efforts are being directed towards obtaining funding from non-government sources.

Basis of Accounting

These financial statements have been prepared in accordance with generally accepted accounting principles for non-profit organizations. A Statement of Changes in Financial Position has not been included as it would not provide additional useful information.

Specific Accounting Policies

Inventory is valued at the lower of cost and net realizable value.

Long-term investments are recorded at cost of acquisition adjusted by amortization of discounts on a straight-line basis over the remaining terms of the investments.

Fixed assets are expensed in the year of acquisition.

Donations are recorded on a cash basis.

The Authority receives certain donated materials and services, such as biological advice, support services, audit fees and volunteer time in and around the wildlife management area. These donated materials and services are not recorded in the financial statements.

2. NOTE PAYABLE

The note payable represents a revolving demand loan with the Royal Bank of Canada bearing interest at the Royal Bank prime rate + 1½% per annum.

CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 1993

3. GRANT REVENUE

Recorded grant revenue is received from the following sources:

	<u>1993</u>	<u>1992</u>
Province of B.C. - Ministry of Environment	\$100,000	\$100,000
Government of Canada	100,000	100,000
Others	<u>3,473</u>	<u>26,612</u>
	<u>\$203,473</u>	<u>\$226,612</u>

4. GO BC PROJECT - UPGRADE TO WILDLIFE CENTRE

During the fiscal year ended March 31, 1992, the Authority completed upgrading of the Wildlife Centre building. One third of the total was funded by the Ministry of Government Services through the Growth and Opportunities BC program (GO BC). The balance of funding was provided through donated materials and services and from operating funds of the Trust Fund.

Certain comparative figures have been reclassified to conform with the current year's presentation.

6. SUBSEQUENT EVENT

In June of 1993 the Creston Valley Wildlife Management Authority received a grant of \$50,000 from B.C. Hydro.

The annual grant received from the Federal Government was cut from \$100,000 to \$89,885 for the 1993/94 fiscal year.



# Downtown Revitalization Program Society of British Columbia

# MOORE JOYCE JONES

C. DAVID MOORE, C.A.  
ARTHUR G. JOYCE, C.A.  
DAVID A. JONES, M.B.A., C.A., C.B.V.



International Affiliation of  
Independent Accounting Firms

## CHARTERED ACCOUNTANTS

1022 PANDORA AVENUE, VICTORIA, B.C.

MAIL TO: P.O. BOX 516, VICTORIA, B.C. V8W 2N8

TELEPHONE 388-5528 AREA CODE: 604  
FAX LINE (604) 361-9361



WE COVER THE GLOBE

## Auditors' Report

To the Directors  
Downtown Revitalization Program Society  
of British Columbia

We have audited the balance sheet of the Downtown Revitalization Program Society of British Columbia as at March 31, 1993 and the statement of operations and surplus for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 1993 and the results of its operations for the year then ended in accordance with generally accepted accounting principles. As required by the British Columbia Society Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

*Moore Joyce Jones*  
Chartered Accountants

Victoria, B.C.  
June 24, 1993



## DOWNTOWN REVITALIZATION PROGRAM SOCIETY OF B.C.

(Incorporated under the B.C. Society Act)


## BALANCE SHEET AS AT MARCH 31, 1993

(with comparative figures for 1992)

Assets

	<u>1993</u>	<u>1992</u>
<u>Current Assets</u>		
Cash in bank	2,276	
Investments (note 3)	5,175,694	7,740,675
Accrued interest receivable	417,686	353,919
Current portion of loans receivable	650,814	485,535
	<u>6,246,470</u>	<u>8,580,129</u>
<u>Non-Current Assets</u>		
Loans receivable - net of current portion (note 4)	10,401,545	10,054,159
	<u>16,648,015</u>	<u>18,634,288</u>
<u>Liabilities and Capital</u>		
<u>Current Liabilities</u>		
Cheques issued in excess of funds on deposit		1,176,591
Grants and accounts payable	143,250	272,341
	<u>143,250</u>	<u>1,448,932</u>
<u>Capital</u>		
Contributed capital (note 5)	15,000,000	15,000,000
Surplus	1,504,766	2,185,351
	<u>16,504,766</u>	<u>17,185,351</u>
	<u>16,648,016</u>	<u>18,634,288</u>

Approved by the Board:


 Director


 Director


 Date

This is the balance sheet referred to in our auditors' report dated  
June 24, 1993



Statement II**DOWNTOWN REVITALIZATION PROGRAM SOCIETY OF B.C.**

(Incorporated under the B.C. Society Act)

**STATEMENT OF OPERATIONS AND SURPLUS****FOR THE YEAR ENDED MARCH 31, 1993**

(with comparative figures for 1992)

	<u>1993</u>	<u>1992</u>
<u>Revenue</u>		
Loan interest	847,917	778,917
Investment interest	411,849	657,014
	<u>1,259,766</u>	<u>1,435,931</u>
<u>Program Grants and Expenditures</u>		
Facade treatment	679,776	593,173
Facade design	62,626	34,140
Commercial heritage facade - design	22,500	
Commercial heritage facade - work	34,093	
Greenways/waterfront study	22,945	10,000
Concept planning	55,000	44,485
Strategy planning	97,525	70,012
Entrance signage program	80,548	
Signs and bronze plaques	6,732	1,017
Special projects	36,000	7,652
Business Improvement Areas	21,516	61,128
B.I.A. study		54,950
B.I.A. strategy	26,915	
B.I.A. office	5,000	
B.I.A. first year salaries	31,850	
B.I.A. marketing study	19,750	
B.I.A. renewal grants	9,401	
B.I.A. special grants	5,000	
Village Square start-up grants	132,860	108,802
Village Square concept planning	30,000	
Village Square facade design	18,992	30,000
Village Square facade treatment	1,000	
Village Square entrance signs		6,325
Village Square capital works	445,593	212,937
Village Square gold country grants	42,500	14,000
B.C. Signage program		48,210
	<u>1,888,122</u>	<u>1,296,831</u>
Administration costs		
Investment management fees	7,564	10,681
Professional services	44,670	14,874
	<u>1,940,356</u>	<u>1,322,386</u>
<u>Excess (Deficiency) of Revenue over Expenditures</u>	<u>( 680,590)</u>	<u>113,545</u>
Surplus at beginning of year	<u>2,185,356</u>	<u>2,071,811</u>
<u>Surplus at End of Year</u>	<u>1,504,766</u>	<u>2,185,356</u>

This is the statement of operations and surplus referred to in our auditors' report dated June 24, 1993. *Noore Joyce Jones*

## DOWNTOWN REVITALIZATION PROGRAM SOCIETY OF B.C.

## Notes to Financial Statements - March 31, 1993

1. Purpose

The Society is incorporated under the British Columbia Society Act and became operational April 1, 1988. The goal of the Society is to stimulate the physical and economic revitalization of the downtown areas in British Columbia municipalities by providing financial and advisory services. The society is administered by and reportable to the Ministry of Municipal Affairs, Recreation and Housing.

2. Accounting Policies

In accordance with generally accepted accounting principles, the Society follows the accrual basis of accounting.

The comparative figures were reported on by the Society's previous auditor and are presented for information purposes.

3. Investments

The Society has funds invested in the Provincial Treasury's Pooled Investment Portfolio Fund. Although the Treasury has the funds invested in short-term investments, the Society is able to draw on these funds as and when required.

4. Loans Receivable

	<u>1993</u>	<u>1992</u>
Loans receivable, beginning of year	10,539,694	8,025,799
New loans issued	998,200	2,885,932
Loan repayments	( 485,535)	( 372,037)
Loans receivable, end of year	11,052,359	10,539,694
Less current portion included in current assets	650,814	( 485,535)
Loans receivable, end of year, long-term portion	<u>10,401,545</u>	<u>10,054,159</u>

The loans are repayable to the Society over terms up to 15 years with blended annual payments of principal and interest. Interest is calculated at 9% per annum on loans issued prior to 1992 and 6% per annum on loans issued subsequently.

The principal portion of the loans due within one year has been classified as a current asset.

## DOWNTOWN REVITALIZATION PROGRAM SOCIETY OF B.C.

## Notes to Financial Statements - March 31, 1993

5. Contributed Capital

The contributed capital was provided by the British Columbia Lottery Fund. The Society has not received any additional contributions since 1991.

6. Statement of Changes in Financial Position

A statement of changes in financial position has not been prepared as it would not provide any additional information.

7. Commitments

At year end the Society is conditionally committed to provide future loans totalling approximately \$5,000,000.

**Duke Point Development Limited**

Auditor General of British Columbia

**AUDITOR'S REPORT**8 Bastion Square  
Victoria, British Columbia  
V8V 1X4(604) 387-6803  
Fax (604) 387-1230*To the Shareholder of Duke Point Development Limited:*

I have audited the balance sheet of Duke Point Development Limited as at March 31, 1993 and the statement of operations and deficit for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 1993 and the results of its operations for the year then ended in accordance with generally accepted accounting principles. As required by the Company Act of British Columbia, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

A handwritten signature in cursive script, reading "George L. Morfitt".

George L. Morfitt, FCA  
Auditor GeneralVictoria, British Columbia  
May 15, 1993

**Duke Point Development Limited**  
Incorporated under the laws of British Columbia

**BALANCE SHEET**

As at March 31

	1993 \$	1992 \$
<b>ASSETS</b>		
Cash	535,793	1,147,369
Accounts receivable	3,900	12,299
Net investment in direct financing leases	3,947,400	3,947,400
Property held for sale [note 2]	7,810,000	7,959,000
Computer equipment	7,227	9,154
	<b>12,304,320</b>	<b>13,075,222</b>
<b>LIABILITIES</b>		
Accounts payable and refundable deposits	10,779	21,969
Grants payable in lieu of property taxes	—	56,470
Accrued interest payable [note 3]	5,102,500	5,102,500
Due to Province of British Columbia [note 4]	2,961,805	3,665,471
Industrial Development Subsidiary Agreement Loan [note 3]	13,000,000	13,000,000
<b>Total liabilities</b>	<b>21,075,084</b>	<b>21,846,410</b>
<b>SHAREHOLDER'S DEFICIT</b>		
Deficit	(33,200,578)	(33,201,002)
Contributed surplus [note 5]	24,429,812	24,429,812
Share capital		
Authorized		
5,000,000 common shares, with no par value		
Issued		
2 common shares	2	2
<b>Total shareholder's deficit</b>	<b>(8,770,764)</b>	<b>(8,771,188)</b>
	<b>12,304,320</b>	<b>13,075,222</b>

Contingencies [note 6]

See accompanying notes

Approved on behalf of the Board:

Director



Director





**Duke Point Development Limited****STATEMENT OF OPERATIONS AND DEFICIT**

Year ended March 31

	1993 \$	1992 \$
<b>REVENUES</b>		
Lease financing	312,219	450,950
Interest	46,840	77,453
Rental	1,210	90,442
Sale of property	157,500	233,556
Other income	—	20,000
	<u>517,769</u>	<u>872,401</u>
<b>EXPENSES</b>		
Grants in lieu of property taxes	243,132	211,200
Water and other utilities	84,850	84,747
Professional and other services	40,363	58,561
Writedown of property held for sale	—	607,000
Cost of property sold	149,000	254,000
Bad debts	—	47,101
	<u>517,345</u>	<u>1,262,609</u>
<b>Net income (loss) for the year</b>	<b>424</b>	<b>(390,208)</b>
<b>Deficit, beginning of year</b>	<b>(33,201,002)</b>	<b>(32,810,794)</b>
<b>Deficit, end of year</b>	<b>(33,200,578)</b>	<b>(33,201,002)</b>

*See accompanying notes*

**Duke Point Development Limited****NOTES TO FINANCIAL STATEMENTS**

Year Ended March 31, 1993

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Reporting entity**

Duke Point Development Limited [the Company] is wholly-owned by the Province of British Columbia [the Province]. The Company was incorporated under the Company Act of the Province of British Columbia on October 26, 1977. As a government corporation, the Company is not subject to pay federal or provincial income taxes.

The shares of the Company were transferred as at August 31, 1989 from British Columbia Enterprise Corporation [BCEC], a Crown corporation of the Province, to the Minister of Finance and Corporate Relations.

**Basis of presentation**

These financial statements have been prepared on a going concern basis. The Company is economically dependent upon the Province. The Province provides certain administrative services to the Company without charge. The cost of providing these services is determined to be not significant.

**Net investment in direct financing leases**

The Company leases real property to third parties under long-term lease arrangements which transfer substantially all the risks and benefits of ownership of the property to the lessees. These leases are accounted for as sales-type leases in the initial lease periods and as direct financing leases in the renewal periods.

The leases are carried on the balance sheet at the option prices at which the lessee may acquire the properties.

Finance income related to these leases is recognized as it is earned.

**Property held for sale**

Property held for sale is recorded at the lower of cost and net realizable value.

Cost includes all direct acquisition, construction and development costs, but not administrative overheads, financing charges and certain other carrying costs.

**Duke Point Development Limited****NOTES TO FINANCIAL STATEMENTS**

Year Ended March 31, 1993

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Computer equipment**

Depreciation of computer equipment is determined at a rate which will reduce the original cost to estimated residual value over the estimated useful life of the equipment.

The annual rate used to compute depreciation of computer equipment is 20% calculated on a straight-line basis.

**Statement of cash flows**

A statement of cash flows has not been included with these financial statements because it does not provide additional useful information.

**2. PROPERTY HELD FOR SALE**

The net realizable value of property held for sale as at March 31, 1993 was determined on the basis of independent property appraisals dated March 16, 1992.

**3. INDUSTRIAL DEVELOPMENT SUBSIDIARY AGREEMENT LOAN**

The Industrial Development Subsidiary Agreement loan is repayable to the Province and bears interest at one-half of bank prime rate.

The scheduled principal repayments are as follows:

- \$6,500,000 and related accrued interest due March 1, 1989;
- balance outstanding and related accrued interest as the Company sells or leases its property.

The Company did not make the payments due on March 1, 1989 and a tentative agreement was reached with the Province whereby the Company would not be required to pay the \$6,500,000 principal amount plus accrued interest of \$5,102,500 due on that date. The Province has not charged interest on the outstanding balance of the IDSA loan since that date.

**Duke Point Development Limited****NOTES TO FINANCIAL STATEMENTS**

Year Ended March 31, 1993

**4. DUE TO PROVINCE OF BRITISH COLUMBIA**

The following amounts were due to the Province of British Columbia as at March 31:

	1993 \$	1992 \$
Opening balance	3,665,471	3,665,471
Payment to the Province	703,666	—
	<b>2,961,805</b>	<b>3,665,471</b>

No interest is charged on amounts due to the Province.

**5. CONTRIBUTED SURPLUS**

Contributed surplus represents indebtedness forgiven by BCEC.

**6. CONTINGENCIES****Gain**

The Province has provided for uncollectibility of the Company's Industrial Development Subsidiary Agreement loan and the accrued interest thereon as at March 31, 1989, under the authority of Section 14 of the Financial Administration Act.

The Company may be able to record the forgiveness of this indebtedness at some future date if the Province undertakes formal debt forgiveness procedures in compliance with the Financial Administration Act. Any eventual extinguishment of the debt is expected to be recorded as a credit to contributed surplus by the Company.

**Liability**

A contingent loss in the amount of \$65,530 exists in respect of unpaid municipal taxes of a lessee of one of the Company's properties. Legal action was threatened to recover the taxes from the Company after the lessee failed to pay and the lease agreement was cancelled. In the opinion of management, the existence of a liability is not reasonably determinable.

**First Peoples' Heritage, Language and Culture Council**

Chartered Accountants

Suite 620  
880 Douglas Street  
Victoria, B.C. V8W 2B7(604) 383 4191  
Fax (604) 381 4623*Price Waterhouse*

July 7, 1993

**Auditors' Report**

To the Lieutenant Governor in Council, Province of British Columbia  
To the Minister of Aboriginal Affairs, Province of British Columbia  
To the Members of the Board of First Peoples' Heritage, Language and Culture Council

We have audited the balance sheet of First Peoples' Heritage, Language and Culture Council as at March 31, 1993 and the statements of revenue and expenditures and deficit and changes in financial position for the year then ended. These financial statements are the responsibility of the council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the council as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Chartered Accountants

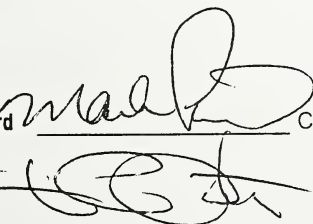
# First Peoples' Heritage, Language and Culture Council

## Balance Sheet

	March 31	
	1993	1992
<b>Assets</b>		
Current assets		
Cash	\$ 383,093	\$ 31,241
Grants receivable	508,000	-
Accounts receivable	100	222
Prepaid expenses	1,241	1,193
	<u>892,434</u>	<u>32,656</u>
Fixed assets, at nominal value (Note 3)	<u>2</u>	<u>2</u>
	<u>\$ 892,436</u>	<u>\$ 32,658</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 27,418	\$ 7,228
Grants payable	865,000	15,000
	<u>892,418</u>	<u>22,228</u>
<b>Equity</b>		
Share capital (Note 5)	100	100
Surplus (deficit)	(82)	2,749
Reserve	-	7,581
	<u>18</u>	<u>10,430</u>
	<u>\$ 892,436</u>	<u>\$ 32,658</u>

Commitments (Note 7)

Approved by the Board



Chairperson

Treasurer



# First Peoples' Heritage, Language and Culture Council

## Statement of Revenue and Expenditures and Surplus

	Year ended March 31	
	1993	1992
Revenue		
Grants, Ministry of Aboriginal Affairs	\$ 1,521,472	\$ 973,142
Interest	8,859	12,067
	<u>1,530,331</u>	<u>985,209</u>
Expenditures		
Grants		
Capital	700,000	-
Operating	553,472	449,493
Feasibility studies	30,000	298,850
Other	-	25,000
Wages and benefits	84,813	63,687
Travel (Note 9)	67,460	32,029
Fund raising	44,839	17,419
B.C. Heritage Trust Symposium (Note 10)	13,300	-
Rent	13,200	9,650
Professional fees	11,582	6,290
Telephone	6,011	8,578
Equipment rental	4,726	1,839
Office	4,138	7,771
Miscellaneous	2,605	415
Postage and courier	1,561	1,148
Utilities	1,276	1,075
Staff development	735	1,864
Insurance	375	398
Security	300	740
Bank charges	208	561
Printed material	142	3,465
Furniture and equipment purchases	-	44,507
Moving	-	100
	<u>1,540,743</u>	<u>974,879</u>
Excess (deficiency) of revenue over expenditures	(10,412)	10,330
Surplus, beginning of year	2,749	-
Reserve (Note 11)	7,581	(7,581)
Surplus (deficit), end of year	<u>\$ (82)</u>	<u>\$ 2,749</u>

# First Peoples' Heritage, Language and Culture Council

## Statement of Changes in Financial Position

	Year ended March 31	
	1993	1992
Cash provided by (used in) operating activities		
Excess (deficiency) of revenue over expenditures	\$ (2,831)	\$ 10,330
Non-cash operating items		
Accounts receivable	122	(222)
Prepaid expenses	(48)	(1,193)
Grants receivable	(508,000)	-
Accounts payable and accrued liabilities	20,190	7,228
Grants payable	850,000	15,000
Reserve	(7,581)	-
	<u>351,852</u>	<u>31,143</u>
Cash provided by (used in) financing activities		
Issuance of share capital	-	100
	<u>-</u>	<u>100</u>
Cash provided by (used in) investing activities		
Acquisition of fixed assets	-	(2)
	<u>-</u>	<u>(2)</u>
Increase in cash	351,852	31,241
Cash, beginning of year	<u>31,241</u>	<u>-</u>
Cash, end of year	<u>\$ 383,093</u>	<u>\$ 31,241</u>

# First Peoples' Heritage, Language and Culture Council

## Notes to Financial Statements

March 31, 1993

---

### 1. First Peoples' Heritage, Language and Culture Council ("the Council")

The Council is a Crown Corporation incorporated under the First Peoples' Heritage, Language and Culture Act and is an agent of the Crown. The Council commenced operations April 1, 1991.

#### Mission

The mission of the Council is as follows:

- To preserve and enhance Native heritage, language and culture.
- To increase understanding and knowledge sharing, within both Native and non-native communities of the Province.
- To heighten appreciation and acceptance of the wealth of cultural diversity among all British Columbians.

### 2. Significant accounting policies

The Council's financial statements are prepared in accordance with generally accepted accounting principles for non-profit organizations.

### 3. Fixed assets

It is the policy of the Council to expense fixed assets in the year of acquisition. The fixed assets include furniture and equipment and are recorded on the balance sheet at a nominal value.

### 4. Grants

#### Revenue

Contributions from the Ministry of Aboriginal Affairs are recognized after the applications from Tribal Councils have been approved and requests for funding have been approved by the Ministry.

#### Expenditures

Grants are recorded as an expenditure in the year the Council has given its approval to the applications from Tribal Councils and the Ministry of Aboriginal Affairs has approved the related funding.

### 5. Share capital

The capital of the Council is one share with a par value of \$100. The share is issued to and held by Her Majesty, the Queen in right of the Province of British Columbia.

### 6. Related party transactions

During the year, an operating grant totalling \$75,000 was made to a Tribal Council having a representative, who is appointed by the Lieutenant Governor in Council from the Advisory Committee, on the Board of the Council.

# First Peoples' Heritage, Language and Culture Council

## Notes to Financial Statements

March 31, 1993

Page 2

### 7. Commitments

The Council has entered into a lease agreement for office space. Future minimum payments under the lease agreement are as follows:

1994	\$ 14,000
1995	4,800
	<u>\$ 18,800</u>

### 8. Corporate income taxes

The Council is exempt from Federal and Provincial corporate income taxes.

### 9. Travel expenses

Travel expenses include \$18,000 in expenditures relating to the Advisory Committee Retreat. These expenses were funded by a discretionary grant.

### 10. B.C. Heritage Trust Symposium

B.C. Heritage Trust Symposium expenses of \$13,300 were funded by a \$20,000 discretionary grant. The excess funding of \$6,700 was allocated to the fund raising budget.

### 11. Reserve

The Council had appropriated \$7,581 from the 1992 fund raising budget to the 1993 fiscal year. The \$7,581 appropriated in 1992 has been returned to surplus in 1993 as the related expenditures were incurred in 1993. Transactions during the year were as follows:

	1993	1992
Balance, beginning of year	\$ 7,581	\$ -
Appropriated from surplus	<u>-</u>	<u>7,581</u>
	7,581	7,581
Transfer to surplus	<u>7,581</u>	<u>-</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 7,581</u>

# Health Facilities Association of British Columbia



Auditor General of British Columbia

## AUDITOR'S REPORT

8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

(604) 387-6803  
Fax (604) 387-1230

*To the Members of the  
Health Facilities Association of British Columbia, and*

*To the Minister of Health and Minister Responsible for Seniors,  
Province of British Columbia:*

I have audited the balance sheet of the Health Facilities Association of British Columbia as at March 31, 1993 and the statements of revenue and expenditure and changes in financial position for the year then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in note 2 to the financial statements. As required by the Society Act of British Columbia, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

A handwritten signature in dark ink, appearing to read "George L. Morfitt".

George L. Morfitt, FCA  
Auditor General

*Victoria, British Columbia  
June 18, 1993*

## HEALTH FACILITIES ASSOCIATION OF BRITISH COLUMBIA

## BALANCE SHEET

AS AT MARCH 31, 1993

## ASSETS

	<u>1993</u>	<u>1992</u>
CURRENT ASSETS		
Cash	\$ 464	\$ 479
Grants receivable from Province of British Columbia	3,165,136	4,732,583
Accrued interest receivable	<u>133,800</u>	<u>135,528</u>
	3,299,400	4,868,590
MORTGAGES RECEIVABLE (note 3)	1,954,029	2,422,368
DEFERRED EXPENDITURES		
Grants to health facilities, net of amortization	<u>113,645,692</u>	<u>87,631,643</u>
	<u>\$118,899,121</u>	<u>\$ 94,922,601</u>

## LIABILITIES

CURRENT LIABILITIES		
Short-term borrowings (note 4)	\$ 14,405,649	\$ 6,435,409
Grants payable to health facilities	2,889,926	3,501,280
Accrued interest payable	3,298,936	2,959,998
Current obligations on debentures	<u>4,654,020</u>	<u>4,243,002</u>
	<u>25,248,531</u>	<u>17,139,689</u>
LONG-TERM DEBT		
Debentures payable (note 5)	131,094,430	112,176,360
Less sinking funds (note 6)	<u>37,443,840</u>	<u>34,393,448</u>
	<u>93,650,590</u>	<u>77,782,912</u>
	<u>\$118,899,121</u>	<u>\$ 94,922,601</u>

See accompanying notes

APPROVED BY THE DIRECTORS:

Alan D. Thomson  
Director

Elmer  
Director



**HEALTH FACILITIES ASSOCIATION OF BRITISH COLUMBIA**  
**STATEMENT OF REVENUE AND EXPENDITURE**  
**FOR THE YEAR ENDED MARCH 31, 1993**

	<u>1993</u>	<u>1992</u>
<b>REVENUE</b>		
Grants from the Province of British Columbia	\$ 18,586,131	\$18,497,852
Interest on mortgages receivable	628,613	632,067
Interest on sinking fund investments	<u>3,307,058</u>	<u>3,771,357</u>
	<u>22,521,802</u>	<u>22,901,276</u>
<b>EXPENDITURE</b>		
Interest on short-term borrowings	756,731	462,276
Interest on debentures	15,203,304	13,074,101
Amortization of grants to health facilities	<u>6,561,767</u>	<u>9,364,899</u>
	<u>22,521,802</u>	<u>22,901,276</u>
<b>NET RESULT FOR THE YEAR</b>	<u>\$   NIL</u>	<u>\$   NIL</u>

See accompanying notes

**HEALTH FACILITIES ASSOCIATION OF BRITISH COLUMBIA**  
**STATEMENT OF CHANGES IN FINANCIAL POSITION**  
**FOR THE YEAR ENDED MARCH 31, 1993**

	<u>1993</u>	<u>1992</u>
CASH PROVIDED BY:		
OPERATING ACTIVITIES		
Net result for the year	\$ Nil	\$ Nil
Add items not involving cash -		
Amortization of grants to health facilities	<u>6,561,767</u>	<u>9,364,899</u>
	6,561,767	9,364,899
Net decrease (increase) in non-cash		
operating working capital	<u>9,267,000</u>	<u>(617,982)</u>
	<u>15,828,767</u>	<u>8,746,917</u>
FINANCING ACTIVITIES		
Bonds issued	24,390,088	24,529,713
Bonds certified and retired	(5,061,000)	(6,500,000)
Increase in sinking funds		
- contributions	(4,473,370)	(3,301,024)
- interest earned	(4,344,891)	(4,569,102)
- realization of sinking funds		
to redeem debt	<u>5,767,868</u>	<u>6,946,627</u>
	<u>16,278,695</u>	<u>17,106,214</u>
INVESTING ACTIVITIES		
Grants to health facilities	(32,575,816)	(26,341,516)
Reduction in mortgages receivable	<u>468,339</u>	<u>488,365</u>
	<u>(32,107,477)</u>	<u>(25,853,151)</u>
DECREASE) IN CASH DURING THE YEAR	(15)	(20)
CASH, BEGINNING OF YEAR	<u>479</u>	<u>499</u>
CASH, END OF YEAR	<u>\$ 464</u>	<u>\$ 479</u>
See accompanying notes		

## HEALTH FACILITIES ASSOCIATION OF BRITISH COLUMBIA

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 1993

1. Nature of the Association

Health Facilities Association of British Columbia was incorporated under the Society Act on October 15, 1975. The Association raises capital through the issuance of debentures to the British Columbia Regional Hospital Districts Financing Authority or by short-term borrowing under the Province of British Columbia's Certificate of Approval Program to assist in financing the capital costs of hospital projects, medical and health facilities, and community human resources and health centres in the Province of British Columbia. Costs of servicing the debentures and short-term borrowings are paid through grants received from the Province of British Columbia. The Association is economically dependent on this funding for its continued operations.

2. Significant Accounting Policies

- a) Grants to health facilities for the acquisition of capital assets are recorded as deferred expenditures in these financial statements as assets are acquired by the facilities. These deferred expenditures are amortized by an annual charge to expenditures equivalent to contributions to the sinking funds, interest earned on sinking fund investments, other reductions of debenture principal and pay down of short-term borrowings.
- b) Grants from the Province of British Columbia for the retirement of the principal of debentures issued are recorded when paid by the Province. Grants for the payment of interest on the debentures are recognized as the interest accrues.
- c) Sinking funds established for repayment of debentures may accumulate earnings at higher rates than originally forecast. When the Minister of Finance and Corporate Relations certifies that the assets in a particular sinking fund are sufficient to meet all obligations respecting the payment of principal and interest under the debenture, the Association shall transfer the assets in the sinking fund to the British Columbia Regional Hospital Districts Financing Authority. Upon transfer of the assets, the Association is discharged from all obligations under the debenture. Any excess assets remaining in the sinking fund accrue to the Province of British Columbia.
- d) The Province of British Columbia absorbs the cost of certain administrative, accommodation and audit services associated with the operation of the Association. The cost of providing these services is determined not to be significant and, therefore, is not recorded in these financial statements.

## HEALTH FACILITIES ASSOCIATION OF BRITISH COLUMBIA

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1993

3. Mortgages Receivable

	<u>1993</u>	<u>1992</u>
Oak Bay Lodge Society:		
10.49 percent sinking fund mortgage secured by real estate, due October 10, 1999	\$5,000,000	\$5,000,000
15.12 percent sinking fund mortgage secured by real estate, due April 8, 2002	<u>700,000</u>	<u>700,000</u>
	5,700,000	5,700,000
Less: Sinking fund	<u>3,745,971</u>	<u>3,277,632</u>
	<u>\$1,954,029</u>	<u>\$2,422,368</u>

4. Short-Term Borrowings

Short-term borrowings represent cash advances received from the Canadian Imperial Bank of Commerce under the Province of British Columbia's Certificate of Approval Program. Repayment of these advances is guaranteed by the Province of British Columbia.

## HEALTH FACILITIES ASSOCIATION OF BRITISH COLUMBIA

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1993

5. Debentures Payable

	<u>1993</u>		<u>1992</u>	
<u>Year of Maturity</u>	<u>Canadian Dollar Debt</u>	<u>Weighted Average Interest Rate</u>	<u>Canadian Dollar Debt</u>	<u>Weighted Average Interest Rate</u>
1992-1993	-	-	\$ 2,061,000	9.25%
1993-1994	\$ 1,076,714	7.69%	1,076,714	7.69%
1994-1995	125,363	9.75%	125,363	9.75%
1995-1996	-	-	-	-
1996-1997	3,462,162	10.00%	6,462,162	9.55%
1997-2002	60,804,232	12.24%	57,124,685	12.46%
2002-2007	27,443,000	12.26%	27,443,000	12.26%
2007-2012	25,322,438	9.99%	22,126,438	10.06%
2012-2017	<u>17,514,541</u>	8.61%	<u>-</u>	-
	135,748,450	11.26%	116,419,362	11.69%
Less current obligations on debentures	<u>4,654,020</u>		<u>4,243,002</u>	
	<u>\$131,094,430</u>		<u>\$112,176,360</u>	

All debentures are of the sinking fund variety and are issued to the British Columbia Regional Hospital Districts Financing Authority (BCRHDA). Most of the debentures are redeemable in whole or in part at the option of the Chair of the BCRHDA.

Contributions to debenture sinking funds required in each of the next five years are as follows:

1994	\$4,654,020
1995	\$4,470,979
1996	\$4,443,158
1997	\$4,443,158
1998	\$4,139,544

**HEALTH FACILITIES ASSOCIATION OF BRITISH COLUMBIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 1993**

Sinking Funds

	<u>1993</u>	<u>1992</u>
Investments	\$36,905,386	\$33,960,474
Accrued interest	<u>538,454</u>	<u>432,974</u>
	<u>\$37,443,840</u>	<u>\$34,393,448</u>

Debenture sinking funds are managed by the Ministry of Finance and Corporate Relations. The funds are invested in units of the Province of British Columbia Pooled Investment Portfolios ST1 and ST2, which are valued at the lower of cost adjusted for attributed income and market, and in long-term Canadian and Provincial Government bonds, which are valued at amortized cost.

Commitments

As at March 31, 1993, the Association has made commitments to health care facilities for approved projects totalling \$62.8 million (1992 - \$58.9 million).



**Hospitals Foundation of British Columbia****KPMG** Peat Marwick Thorne

Chartered Accountants

400 - 625 Agnes Street  
Queen's Court  
New Westminster, B.C.  
Canada V3M 5Y4

Telephone (604) 526-2411  
Telefax (604) 520-6285

**AUDITORS' REPORT TO THE DIRECTORS**

We have audited the balance sheet of Hospitals Foundation of British Columbia as at March 31, 1993 and the statement of revenue and expenditures and Province's equity for the year ended March 31, 1993. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 1993 and the results of its operations and the changes in its financial position for the period then ended in accordance with generally accepted accounting principles.

*Peat Marwick Thorne.*

Chartered Accountants

New Westminster, Canada

April 30, 1993



Member Firm of  
Klynveld Peat Marwick Goerdeler

# HOSPITALS FOUNDATION OF BRITISH COLUMBIA

## Balance Sheet

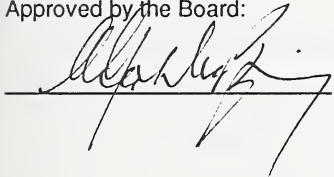
March 31, 1993, with comparative figures for 1992

	1993	1992
<b>Asset</b>		
Cash	\$ 13,738	\$ 20,601
<b>Liability and Province's Equity</b>		
Accounts payable	\$ -	\$ 15,000
Province's equity	13,738	5,601
	\$ 13,738	\$ 20,601

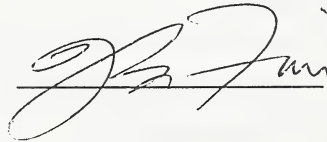
Contingent liability (note 2)

See accompanying notes to financial statements.

Approved by the Board:



Director



Director

# HOSPITALS FOUNDATION OF BRITISH COLUMBIA

## Statement of Revenue and Expenditures and Province's Equity

	Year ended March 31, 1993	Period commencing October 24, 1991 to March 31, 1992
Revenue:		
Donations	\$ 1,341,000	\$ 1,005,692
Gifts-in-kind	—	500,000
Gifts to purchase life insurance	12,688	—
Interest	11,597	7,584
	<u>1,365,285</u>	<u>1,513,276</u>
Expenditures:		
Hospitals - grants	1,341,000	1,005,692
- gifts-in-kind	—	500,000
Life insurance premiums	12,688	—
Legal fees	3,177	1,924
Director's travel	251	—
Bank charges	32	59
	<u>1,357,148</u>	<u>1,507,675</u>
Excess of revenue over expenditures	8,137	5,601
Beginning, Province's equity	5,601	—
Ending, Province's equity	<u>\$ 13,738</u>	<u>\$ 5,601</u>

See accompanying notes to financial statements.

# HOSPITALS FOUNDATION OF BRITISH COLUMBIA

## Notes to Financial Statements

Year ended March 31, 1993

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The Foundation is incorporated under the Hospital Act Chapter 176 Part 3 and is an agent of the Crown in right of the Province of British Columbia. The governing by-laws of the Foundation were approved on October 24, 1991 and active operations commenced on that date.

### 1. Significant accounting policy:

Revenue recognition:

- (a) Donations are recognized when received.
- (b) Gifts-in-kind are recorded at the fair market value of the property as determined by independent appraisal or valuation.
- (c) Premiums provided by donors for the purchase of life insurance policies naming the Hospitals Foundation of British Columbia, as owner and sole beneficiary of the policies, are recorded when paid.

### 2. Contingent liability:

No administrative expenses have been charged to the Foundation for services performed by personnel of the Fraser Burrard Hospital Society. The Board of Directors is in the process of determining appropriate compensation for such services. When the arrangements for compensation are determined such amounts that apply to prior years' services will be charged to the accounts of the Foundation on a retroactive basis.

### 3. Statement of changes in financial position:

A statement of changes in financial position has not been provided as it would not provide additional information.

## Insurance Corporation of British Columbia

I C B C

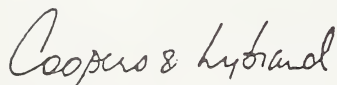
AUDITORS' REPORT
------------------

The Honourable Moe Sihota  
Minister of Labour, Consumer Services and Constitutional Affairs  
Province of British Columbia

We have audited the balance sheets of the Insurance Corporation of British Columbia as at December 31, 1992 and 1991 and the statements of operations of the Insurance (Motor Vehicle) Act Fund and changes in financial position for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 1992 and 1991 and the results of its operations of the Insurance (Motor Vehicle) Act Fund and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.



Chartered Accountants  
Vancouver, British Columbia  
February 3, 1993

I C B C

**BALANCE SHEETS***As at December 31, 1992 and 1991*

<i>(\$ Thousands)</i>	1992	1991
<b>Assets</b>		
Cash in hands of agents	\$ 20,544	\$ 13,730
Investments (Note 3)	3,057,273	2,748,957
Accrued interest receivable	86,811	55,948
Accounts receivable	21,351	21,369
Deferred premium acquisition expenses	77,813	69,375
Property and equipment (Note 4)	133,059	124,153
	<u>\$ 3,396,851</u>	<u>\$ 3,033,532</u>
<b>Liabilities</b>		
Cheques outstanding	\$ 33,162	\$ 16,990
Accounts payable and accrued charges	70,639	73,225
Premiums and fees in advance	86,782	48,414
Deferred investment gains and losses (Note 5)	12,455	10,926
Unearned premiums	687,200	596,186
Unpaid claims (Note 6)	2,501,542	2,133,511
Provision for adverse claims development (Note 6)	—	85,023
	<u>3,391,780</u>	<u>2,964,275</u>
<b>Insurance (Motor Vehicle) Act Fund Surplus</b>		
Catastrophe reserve (Note 7)	—	30,000
Rate stabilization reserve (Note 7)	5,000	39,000
Unappropriated surplus	71	257
	<u>5,071</u>	<u>69,257</u>
	<u>\$ 3,396,851</u>	<u>\$ 3,033,532</u>

Approved by the Board

*L. J. De Vito**Chair**J. B. B.**Director*



## I C B C Insurance (Motor Vehicle) Act Fund

## STATEMENTS OF OPERATIONS

For the years ended December 31, 1992 and 1991

(\$ Thousands)	1992	1991
<b>Revenue</b>		
Vehicle premiums written	\$ 1,841,522	\$ 1,582,019
Driver premiums written	25,168	19,876
	<u>\$ 1,866,690</u>	<u>\$ 1,601,895</u>
Vehicle premiums earned	\$ 1,752,189	\$ 1,517,911
Driver premiums earned	23,487	16,848
	<u>1,775,676</u>	<u>1,534,759</u>
<b>Claims costs</b>		
Claims incurred (Note 6)	1,704,436	1,617,483
Claims operation expenses	163,310	149,874
	<u>1,867,746</u>	<u>1,767,357</u>
<b>Expenses</b>		
Administrative	102,962	90,492
Commissions	126,662	111,617
Premium tax	71,142	61,515
	<u>300,766</u>	<u>263,624</u>
<b>Total claims and expenses</b>	<u>2,168,512</u>	<u>2,030,981</u>
Underwriting loss	(392,836)	(496,222)
Investment income	243,627	315,824
<b>Income (loss) for the year, before the following:</b>	<u>(149,209)</u>	<u>(180,398)</u>
Draw down of provision for adverse claims development (Note 6)	85,023	82,000
<b>Income (loss) for the year</b>	<u>(64,186)</u>	<u>(98,398)</u>
Unappropriated surplus – beginning of year	257	55,655
Appropriation from rate stabilization reserve (Note 7)	64,000	43,000
Unappropriated surplus – end of year	<u>\$ 71</u>	<u>\$ 257</u>

**8. Statement of Changes in Financial Position**

The statement has been prepared using the 'direct method' in accordance with the accounting guideline of the Canadian Institute of Chartered Accountants on Statements of Changes in Financial Position for Financial Institutions dated June 1991. The method of presentation discloses the net cash flow generated from operations by showing the components of cash from operations. Also in accordance with the guideline, a reconciliation between income (loss) and increase in cash and investments is shown below.

(\$ Thousands)	1992	1991
Income (loss) for the year	\$ (64,186)	\$ (98,398)
Add: Increase in unpaid claims	368,031	263,635
Increase in unearned premiums	91,014	67,136
Increase in premiums & fees in advance	38,368	2,127
Increase (decrease) in accounts payable and accrued charges	(2,586)	19,512
Decrease (increase) in accrued interest receivable	(30,863)	47,947
Depreciation	21,131	20,216
Realized gain on investments	16,270	3,212
Other	(921)	154
	<u>500,444</u>	<u>423,939</u>
Less: Amortization of deferred investment gains & losses	14,742	28,361
Increase (decrease) in accounts receivable	(18)	9,477
Draw down of provision for adverse claims development	85,023	82,000
Increase in deferred premium acquisition expenses	8,438	8,855
Expenditures on land, building and equipment	29,115	19,809
	<u>137,300</u>	<u>148,502</u>
Increase in cash & investments during the year	<u>\$ 298,958</u>	<u>\$ 177,039</u>

**9. Reinsurance**

The Corporation underwrites policies of insurance and has obtained reinsurance on those policies which protects the Corporation against losses of up to \$75,000,000 and limits the Corporation's liability to \$10,000,000, in the event of one or more claims arising out of a single occurrence. In addition, where in any one occurrence the total of all claims exceeds \$10,000,000, the Corporation would be liable for its portion of a single bodily injury claim that exceeds \$5,000,000. These reinsurance arrangements do not discharge the Corporation's obligation as primary insurer. The Corporation has not renewed these arrangements for 1993.

I C B C

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the years ended December 31, 1992 and 1991

(\$ Thousands)	1992	1991
<b>Operating Activities</b>		
<b>Cash received from:</b>		
Agents for vehicle premiums, licence fees and social service taxes	\$ 2,201,417	\$ 1,889,328
Interest and net gains on investments	213,958	338,593
Collection for driver point penalty premiums, subrogation and other receivables	68,546	53,990
Salvage sales	29,458	26,558
Province of British Columbia for recovery of Motor Vehicle Branch expenses	7,905	—
All others	342	30
	<u>2,521,626</u>	<u>2,308,499</u>
<b>Cash paid to:</b>		
Claimants or third parties on behalf of claimants	1,408,005	1,407,476
Province of British Columbia for licence fees and social service taxes collected	240,163	227,744
Province of British Columbia for premium taxes	71,213	62,126
Suppliers of goods and services	72,904	67,992
Suppliers of plates and decals on behalf of Motor Vehicle Branch	4,564	2,239
Vendors of land, buildings and equipment	29,115	19,809
Employees for salaries and benefits	185,925	157,892
Agents for commissions	129,690	114,209
Policyholders for premium refunds	81,089	71,973
	<u>2,222,668</u>	<u>2,131,460</u>
<b>Increase in cash and investments during the year (Note 8)</b>	298,958	177,039
<b>Cash and investments - beginning of year</b>	2,745,697	2,568,658
<b>Cash and investments - end of year</b>	<u>\$ 3,044,655</u>	<u>\$ 2,745,697</u>
<b>Represented by:</b>		
Cash in hands of agents	\$ 20,544	\$ 13,730
Investments	3,057,273	2,748,957
Cheques outstanding	(33,162)	(16,990)
	<u>\$ 3,044,655</u>	<u>\$ 2,745,697</u>

I C B C

**NOTES TO FINANCIAL STATEMENTS***For the years ended December 31, 1992 and 1991***1. Status of the Corporation**

The Insurance Corporation of British Columbia (the Corporation) is a Crown corporation incorporated under the Insurance Corporation Act, R.S.B.C. Chapter 201. The Corporation operates and administers the Insurance (Motor Vehicle) Act Fund and, as required by legislation, reports the revenues and expenses attributable to the operation of the Insurance (Motor Vehicle) Act Fund separately from other operations of the Corporation, if any. The Corporation also has the power and capacity to act as an insurer and reinsurer in all other classes of insurance, but is not presently engaged in any such activities.

**2. Summary of Significant Accounting Policies***Basis of Reporting*

The financial statements of the Corporation, as required by the Insurance Corporation Act, are prepared in accordance with generally accepted accounting principles. The more significant accounting policies adopted are noted below.

*Investments and Investment Income*

Bonds are valued at amortized cost with any premium or discount on purchase being deferred and amortized over the term to maturity of each bond. Money market securities and equities are valued at cost. Income on interest bearing securities is accrued daily. Dividends on equity investments are recognized as income on their payment dates.

Capital gains and losses realized on bond sales are deferred and amortized over the term to maturity of the bond or 60 months, whichever is shorter. Capital gains and losses on money market securities and equity investments are included in income in the period realized.

*Deferred Premium Acquisition Expenses*

Commissions and premium taxes are expensed over the terms of the insurance policies to which they relate.

*Depreciation and Amortization*

Depreciation is provided on a straight-line basis at rates that will amortize the original cost over the useful life of each asset. Leasehold improvements are amortized over the term of each lease.

*Unearned Premiums*

Unearned premiums is that portion of premiums that relates to the unexpired term of each vehicle policy or driver's point penalty premium.

*Unpaid Claims*

The provision for unpaid claims includes an estimate for reported and unpaid claims and expenses, based on the claim settlement experience of the Corporation, current trends and a detailed review of claim files. Also included is an estimate for claims incurred but not reported in the year. A provision for adverse claims development accumulated in the years prior to 1991 has been drawn down and eliminated as at December 31, 1992.

**3. Investments**

(\$ Thousands)	1992		1991	
	Cost	Market	Cost	Market
Money market securities	\$ 1,224,048	\$ 1,224,048	\$ 1,196,951	\$ 1,196,951
Bonds	1,823,180	1,808,418	1,548,688	1,580,786
Equities	10,045	10,439	3,318	3,551
	<u>\$ 3,057,273</u>	<u>\$ 3,042,905</u>	<u>\$ 2,748,957</u>	<u>\$ 2,781,288</u>

**4. Property and Equipment**

(\$ Thousands)	1992		1991	
	Cost	Net Book Value	Cost	Net Book Value
Land	\$ 25,553	\$ 25,553	\$ 22,733	\$ 22,733
Buildings	128,722	77,099	112,042	65,985
Furniture and equipment	101,538	29,710	95,130	34,456
Leasehold improvements	2,271	697	2,053	979
	<u>\$ 258,084</u>	<u>\$ 133,059</u>	<u>\$ 231,958</u>	<u>\$ 124,153</u>

Depreciation has been charged at the following rates: buildings 5 – 10%, furniture and equipment 10 – 33.3%. Depreciation expense for the year ended December 31, 1992 amounted to \$21,131,000 (1991 – \$20,216,000).

**5. Deferred Investment Gains and Losses**

(\$ Thousands)	1992	1991
Balance deferred – beginning of year	\$ 10,926	\$ 36,075
Net realized gains during year	16,270	3,212
Amount included in investment income	(14,741)	(28,361)
Balance deferred – end of year	<u>\$ 12,455</u>	<u>\$ 10,926</u>

**6. Provision for Adverse Claims Development**

In previous years the provision for adverse claims development was included in unpaid claims to protect against unexpected trends in claims costs. In 1992 the balance of the provision of \$85,023,000 was drawn down. In 1991 this provision was used to pay for increases in prior years' claims provisions of \$82,000,000. For clarity the draw downs from this provision are now shown separately. The 1991 claims incurred and unpaid claims have been reclassified to conform to the current year's presentation.

**7. Insurance (Motor Vehicle) Act Fund Surplus**

The Board of Directors approved the elimination of the catastrophe reserve, transferring the balance of \$30,000,000 to the rate stabilization reserve. The Board of Directors also approved the transfer in 1992 of \$64,000,000 (1991 – \$43,000,000) from the rate stabilization reserve to unappropriated surplus.

#### 10. Related Party Transactions

The Corporation is the sole provider of compulsory automobile insurance in British Columbia and, therefore, insures vehicles owned or leased by the government of the province and its controlled entities. The Corporation also acts as agent for the Motor Vehicle Branch regarding the collection of motor vehicle licence fees and for the Ministry of Finance and Corporate Relations regarding the collection of social service taxes on privately sold used vehicles.

During 1991, the Corporation took over certain functions that were previously performed by the Vehicle Services Division of the Motor Vehicle Branch. The Corporation is now responsible for collecting all vehicle-related revenue for the Motor Vehicle Branch and acquiring and distributing licence plates and decals. The Corporation has therefore entered into an agreement with the Motor Vehicle Branch whereby it will receive a percentage of the revenue collected to recover the cost of licence plates, decals and additional operating expenses relating to those functions. A recovery of \$5,436,000 (1991 – \$3,268,000) has been credited to administrative expense for the year.

#### 11. Pension Plans

The Corporation maintains two contributory defined benefit pension plans that provide retirement benefits for substantially all regular employees, based on their length of service and best years' average earnings. The plans are, to all intents and purposes, identical and are funded through a single fund – ICBC Employees' Retirement Trust Fund.

The present value of the accrued pension benefits and the net assets at market value available to provide these benefits are as follows:

(\$ Thousands)	1992	1991
Accrued pension benefits	\$ 129,714	\$ 110,380
Retirement Fund assets at market value	\$ 148,480	\$ 129,358

The value of the accrued pension benefits as at December 31, 1992 and 1991 is based on actuarial valuations that take into account projected employee compensation levels at the time of retirement, the rate of inflation and the rate of return on the Fund's assets.

The Corporation's pension contribution of \$6,402,000 (1991 – \$5,554,000) matches the employees' contribution. These contributions have been established taking into account the amortization of experience and investment gains and losses over the expected average remaining service life of the employees in the plan.



**Okanagan Valley Tree Fruit Authority****KEMP, HARVEY & CO.**

CERTIFIED GENERAL ACCOUNTANTS

**AUDITORS' REPORT**

To the Directors of the Okanagan Valley Tree Fruit Authority:

We have audited the balance sheet of the Okanagan Valley Tree Fruit Authority as at March 31, 1993 and the statements of revenue and expenditure and changes in cash resources for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted an audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 1993 and the results of its operations and the changes in its cash resources for the year then ended in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

Penticton, B.C.  
May 26, 1993

CERTIFIED GENERAL ACCOUNTANTS

## STATEMENT A

## OKANAGAN VALLEY TREE FRUIT AUTHORITY

## BALANCE SHEET

March 31, 1993

## ASSETS

1993

1992

## CURRENT ASSETS

Cash	\$ 37,848	\$ 1,316,162
Short term investments Note 3	6,619,902	—
Accounts receivable	7,421	8,237
Contributions receivable Note 4	913,855	12,265,000
Prepays and advances	239,416	8,986
	<u>\$ 7,818,442</u>	<u>\$ 13,598,385</u>

## LIABILITIES

## CURRENT LIABILITIES

Accounts payable and accruals	\$ 870,632	\$ 276,736
Current portion of long-term debt	2,264	1,975
	<u>872,896</u>	<u>278,711</u>

## LONG-TERM DEBT

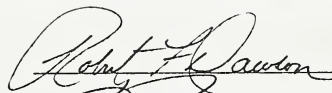

Conditional sales contract payable	<u>1,915</u>	<u>4,178</u>
	<u>874,811</u>	<u>282,889</u>

## EQUITY

## RETAINED EARNINGS - Statement B

Appropriated Note 5	4,898,939	12,265,000
Unappropriated	2,044,692	1,050,496
	<u>6,943,631</u>	<u>13,315,496</u>
	<u>\$ 7,818,442</u>	<u>\$ 13,598,385</u>

APPROVED ON BEHALF OF THE BOARD:

See accompanying notes to financial statements.

## STATEMENT B

**OKANAGAN VALLEY TREE FRUIT AUTHORITY**  
**STATEMENT OF REVENUE AND EXPENDITURE**  
**For the Year Ended March 31, 1993**

	1993	1992 (Restated)
<b>REVENUE</b> Note 6	<u>\$ 2,778,245</u>	<u>\$ 3,672,033</u>
<b>EXPENDITURE</b>		
Sterile Insect Release facility	3,134,852	—
Orchard renovation	2,440,065	1,336,362
Financial security	1,462,273	50,253
Program services and administration	1,225,020	1,050,923
Stakeholder enhancement	301,074	127,626
Market opportunities	266,508	171,362
Land management	149,450	244,502
Information services	90,322	82,742
Communications	<u>80,546</u>	<u>72,065</u>
	<u>9,150,110</u>	<u>3,135,835</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE BEFORE OTHER INCOME</b>	<u>(6,371,865)</u>	536,198
<b>OTHER INCOME</b> Note 5	<u>—</u>	<u>12,265,000</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE</b>	<u>(6,371,865)</u>	12,801,198
<b>RETAINED EARNINGS</b> , beginning of year	<u>13,315,496</u>	514,298
<b>RETAINED EARNINGS</b> , end of year	<u><u>\$ 6,943,631</u></u>	<u><u>\$ 13,315,496</u></u>

See accompanying notes to financial statements.

## STATEMENT C

**OKANAGAN VALLEY TREE FRUIT AUTHORITY**  
**STATEMENT OF CHANGES IN CASH RESOURCES**  
**For the Year Ended March 31, 1993**

	1993	1992
<b>OPERATIONS</b>		
Excess (deficiency) of revenue over expenditure		
- Statement B	\$ ( 6,371,865)	\$ 12,801,198
Changes in current assets and liabilities		
Short term investments	( 6,619,902)	—
Accounts and contributions receivable	11,351,961	(12,266,902)
Prepays and advances	( 230,430)	3,129
Accounts payable and accruals	593,896	69,142
<b>CASH PROVIDED (USED)</b>	<u>( 1,276,340)</u>	<u>606,567</u>
<b>FINANCING</b>		
Proceeds from conditional sales contract	—	6,758
Repayments of conditional sales contract	(1,974)	( 605)
<b>CASH PROVIDED (USED)</b>	<u>(1,974)</u>	<u>6,153</u>
<b>INCREASE (DECREASE) IN CASH RESOURCES</b>	( 1,278,314)	612,720
<b>CASH RESOURCES, beginning of year</b>	<u>1,316,162</u>	<u>703,442</u>
<b>CASH RESOURCES, end of year</b>	<u><u>\$ 37,848</u></u>	<u><u>\$ 1,316,162</u></u>

See accompanying notes to financial statements.

**OKANAGAN VALLEY TREE FRUIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 1993**

**Note 1      Authority and Related Parties**

The Okanagan Valley Tree Fruit Authority Act came into force on August 10, 1990. The mandate of the Authority is to ensure an efficient and co-ordinated approach to the revitalization of the tree fruit industry of the Interior of British Columbia. Unless extended by regulation of the Lieutenant Governor in Council, this Act will be repealed on December 31, 2000. A Memorandum of Understanding between the Authority and the Ministry of Agriculture, Fisheries and Food, Province of British Columbia, defines the roles and responsibilities of each organization.

The Authority receives the majority of its revenue from the Province of British Columbia, on which it is dependent for the continuance of its operations.

**Note 2      Significant Accounting Policy**

**Capital Expenditure**

Capital assets are recorded as expenditures in the period of acquisition.

Capital assets purchased and expensed during the year amounted to \$72,187 (\$76,792 during the year ended March 31, 1992).

**Note 3      Short Term Investments**

The short term investments consist of units in the money market unitized fund administered by the British Columbia Ministry of Finance and Corporate Relations. The market value of the investments as at March 31, 1993 was \$6,644,622.

**Note 4      Contributions Receivable**

Contributions receivable consist of the following:

1993	1992	
\$ 913,855	—	Receivable from the Government of Canada under the Farm Support and Adjustment Measures Program.
—	\$ 12,265,000	Special grant receivable from the Ministry of Agriculture, Fisheries and Food of the Province of British Columbia.
<u>\$ 913,855</u>	<u>\$ 12,265,000</u>	

... continued

Notes continued ...

**Note 5 Retained Earnings and Other Income**

The Ministry of Agriculture, Fisheries and Food of the Province of British Columbia advanced the sum of \$12,265,000 to the Okanagan Valley Tree Fruit Authority at the end of the Authority's previous fiscal year. Some of these funds were used for construction of the Sterile Insect Release facility, for revitalization of the tree fruit industry and for special assistance to fruit growers. The appropriated retained earnings represents the unexpended portion of these funds as at March 31, 1993. This balance is appropriated for continued revitalization of the tree fruit industry.

**Note 6 Revenue**

Revenue includes the following:

1993	1992	
\$ 1,160,000	\$ 3,587,000	Contributions
		- British Columbia Ministry of Agriculture, Fisheries and Food
913,855	—	- Agriculture Canada Farm Support and Adjustment Measures to Horticulture
698,622	80,283	Investment Income
5,768	4,750	Miscellaneous Income
<u>\$ 2,778,245</u>	<u>\$ 3,672,033</u>	

**Note 7** Certain comparative figures have been restated to conform with the presentation in the current year.



**Pacific National Exhibition**

ARTHUR ANDERSEN &amp; CO.

**AUDITORS' REPORT**

To the Directors of

Pacific National Exhibition:

We have audited the balance sheets of the Pacific National Exhibition (incorporated under the Pacific National Exhibition Incorporation Act of British Columbia) as at March 31, 1993 and 1992 and the related statements of revenue and expenditure, equity, appropriation for capital asset acquisitions, renewals and replacements and changes in financial position for the years then ended. These financial statements are the responsibility of the Exhibition's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Exhibition as at March 31, 1993 and 1992 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles. As required by the Pacific National Exhibition Incorporation Act, we report that, in our opinion, these principles have been applied on a consistent basis.

A handwritten signature in cursive script that reads "Arthur Andersen & Co.".

May 26, 1993

Vancouver, British Columbia.


## PACIFIC NATIONAL EXHIBITION

## BALANCE SHEETS - - MARCH 31, 1993 AND 1992

	<u>1993</u>	<u>1992</u>
<u>ASSETS</u> (Note 1)		
CURRENT ASSETS:		
Cash and interest bearing deposits	\$ 634,518	\$ 3,209,559
Accounts receivable	1,063,042	1,066,976
Inventories	458,680	375,727
Prepaid expenses	371,319	293,409
Current portion of loan receivable	331,539	298,221
	<u>2,859,098</u>	<u>5,243,892</u>
LOAN RECEIVABLE (Note 3)	-	331,539
CAPITAL ASSETS:		
Buildings and fixtures on leased land	21,571,532	22,036,791
Machinery, furniture and equipment (Note 4)	8,021,225	7,237,947
Redevelopment costs (Note 1)	1,160,985	-
	<u>30,753,742</u>	<u>29,274,738</u>
	<u>\$ 33,612,840</u>	<u>\$ 34,850,169</u>
<u>LIABILITIES AND EQUITY IN ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 2,254,548	\$ 2,227,270
Current portion of deferred revenue	319,185	359,914
	<u>2,573,733</u>	<u>2,587,184</u>
OBLIGATION UNDER CAPITAL LEASE (Note 4)	52,817	81,960
DEFERRED REVENUE (Note 5)	112,500	187,500
	<u>2,739,050</u>	<u>2,856,644</u>
COMMITMENTS AND CONTINGENCIES (Note 6)		
EQUITY (Note 1)	27,030,250	31,041,225
APPROPRIATION FOR CAPITAL ASSET ACQUISITIONS, RENEWALS AND REPLACEMENTS	3,843,540	952,300
	<u>30,873,790</u>	<u>31,993,525</u>
	<u>\$ 33,612,840</u>	<u>\$ 34,850,169</u>

Approved by the Directors:

 Director

 Director

The accompanying notes are an integral part of these balance sheets.

PACIFIC NATIONAL EXHIBITION

STATEMENTS OF REVENUE AND EXPENDITURE  
FOR THE YEARS ENDED MARCH 31, 1993 AND 1992

	<u>1993</u>	<u>1992</u>
REVENUE:		
Operating	\$ 27,860,173	\$ 25,841,780
Interest	188,991	258,785
Government grants	93,000	97,013
	<u>28,142,164</u>	<u>26,197,578</u>
OPERATIONS AND ADMINISTRATION EXPENSES	27,955,423	24,612,264
	<u>186,741</u>	<u>1,585,314</u>
PERSONNEL RESTRUCTURING COSTS	174,742	25,292
	<u>\$ 11,999</u>	<u>\$ 1,560,022</u>
Excess of revenue over expenditure		

The accompanying notes are an integral part of these statements.

## PACIFIC NATIONAL EXHIBITION

## STATEMENTS OF EQUITY

FOR THE YEARS ENDED MARCH 31, 1993 AND 1992

	<u>1993</u>	<u>1992</u>
BALANCE, beginning of year	\$ 31,041,225	\$ 29,654,809
EXCESS OF REVENUE OVER EXPENDITURE	<u>11,999</u>	<u>1,560,022</u>
	31,053,224	31,214,831
APPROPRIATION FOR CAPITAL ASSET ACQUISITIONS, RENEWALS AND REPLACEMENTS	(5,588,520)	(585,963)
ACQUISITION OF CAPITAL ASSETS	2,697,280	488,463
LOSS ON DISPOSAL OF CAPITAL ASSETS	(1,131,734)	(76,106)
BALANCE, end of year	<u>\$ 27,030,250</u>	<u>\$ 31,041,225</u>

The accompanying notes are an integral part of these statements.

## PACIFIC NATIONAL EXHIBITION

STATEMENTS OF APPROPRIATION FOR CAPITAL ASSET ACQUISITIONS,  
RENEWALS AND REPLACEMENTS

FOR THE YEARS ENDED MARCH 31, 1993 AND 1992

	<u>1993</u>	<u>1992</u>
BALANCE, beginning of year	\$ 952,300	\$ 854,800
ADD:		
Contribution from equity	5,588,520	585,963
	<u>6,540,820</u>	<u>1,440,763</u>
LESS:		
Capital asset acquisitions, renewals and replacements	2,697,280	488,463
BALANCE, end of year	<u>\$ 3,843,540</u>	<u>\$ 952,300</u>

The accompanying notes are an integral part of these statements.

## PACIFIC NATIONAL EXHIBITION

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

## FOR THE YEARS ENDED MARCH 31, 1993 AND 1992

	<u>1993</u>	<u>1992</u>
<b>CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES:</b>		
Cash from operations-		
Excess of revenue over expenditure	\$ 11,999	\$ 1,560,022
Deduct item not affecting cash-		
Deferred revenue, long-term advertising contracts	(75,000)	(75,000)
	<u>(63,001)</u>	<u>1,485,022</u>
Change in non-cash operating working capital	(170,380)	158,521
	<u>(233,381)</u>	<u>1,643,543</u>
<b>CASH PROVIDED FROM (USED IN) FINANCING ACTIVITY:</b>		
Payments under capital lease	(29,143)	(25,075)
	<u></u>	<u></u>
<b>CASH PROVIDED FROM (USED IN) INVESTING ACTIVITIES:</b>		
Purchase of capital assets	(2,697,280)	(488,463)
Loan receipts	298,221	268,668
Proceeds from disposals of capital assets	86,542	3,160
	<u>(2,312,517)</u>	<u>(216,635)</u>
Increase (decrease) in cash	(2,575,041)	1,401,833
<b>CASH AND INTEREST-BEARING DEPOSITS, beginning of year</b>	<u>3,209,559</u>	<u>1,807,726</u>
<b>CASH AND INTEREST-BEARING DEPOSITS, end of year</b>	<u><u>\$ 634,518</u></u>	<u><u>\$ 3,209,559</u></u>

The accompanying notes are an integral part of these statements.



## PACIFIC NATIONAL EXHIBITION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1993 AND 1992

## 1. FUTURE OPERATIONS

These financial statements have been prepared on the basis that the Pacific National Exhibition (the "Exhibition") will continue as a going concern. As discussed in Note 6, the current lease for the lands and premises known as Exhibition Park will expire on May 19, 1994. Negotiations surrounding the future of Exhibition Park after the expiration of the lease have not concluded and as a result, it is uncertain whether the Exhibition will be able to continue operations at its present location or at an alternate location after the expiration of the lease.

The Exhibition's Board of Directors has approved a comprehensive redevelopment plan (the "Plan") for Exhibition Park based on the assumption that the Exhibition will continue operations at its present site. The Plan includes significant capital expenditures, some of which may not be carried out by the Exhibition, for the following major projects:

- (a) Substantially more landscaped public parkland.
- (b) Expansion of the Race Track and redevelopment of supporting facilities.
- (c) Creation of a garden-like amusement park.
- (d) Creation of an exhibition complex linking the Coliseum and the Agrodome.
- (e) Creation of a public market.
- (f) Creation of an Ice rink and recreation centre.
- (g) Creation of supporting parking and administrative service facilities.

Implementation of the Plan calls for the demolition of approximately \$4 million in existing capital assets.

As at March 31, 1993, the Exhibition has capitalized approximately \$1,161,000 in costs to seek public opinion, develop and market the Plan and commence preliminary redevelopment of Exhibition Park. The implementation of the Plan by the Exhibition requires an extension of the occupancy at Exhibition Park and the arrangement of redevelopment financing. If and when this occurs, the surplus capital assets will be charged to equity and the Exhibition will adopt a depreciation policy for its remaining capital assets. These financial statements have been prepared on the basis that the Exhibition will continue operations beyond the expiration of its lease term and a redevelopment plan will be implemented.

Should the Exhibition discontinue operations at Exhibition Park, the costs of capital assets, to the extent they cannot be realized, will be charged to equity. These financial statements do not include any adjustments that would result from the discontinuance of operations.

**NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(a) Nature of Operations**

The Exhibition was incorporated by statute of the Province of British Columbia for the purpose of furthering agricultural and other industries, and promoting community development. The Exhibition is a not-for-profit entity, and, accordingly, no income tax provision or related accounts are presented in these financial statements.

The incorporation legislation provides that upon dissolution or winding up of the Exhibition, any excess or surplus after paying all debts and obligations of the Exhibition shall be paid to the City of Vancouver.

**(b) Capital Assets**

Capital assets are recorded at cost less grants provided by federal, provincial and municipal governments and other contributions. On disposal of capital assets, the cost is removed from the accounts and charged (net of proceeds realized) to equity.

Depreciation and amortization of capital assets are not provided in the accounts.

**(c) Appropriation for Capital Asset Acquisitions, Renewals and Replacements**

The Exhibition appropriates from equity, estimated amounts required to provide for the future acquisition, renewal and replacement of capital assets, based on the most recent projection of intended expenditures.

**(d) Inventories**

Inventories consist of stores, food and beverage, and are valued at the lower of cost and net realizable value.

**(e) Deferred Revenue**

Advertising revenue for long-term contracts is recognized on a straight-line basis over the term of the related contract.

**(f) Prize Home Lots**

Prize home lots held from time to time are registered in the name of Tyroe Estates Ltd., a bare corporate trustee, which holds the properties in trust for the Exhibition.

**LOAN RECEIVABLE**

	<u>1993</u>	<u>1992</u>
Loan to the British Columbia Jockey Club bearing interest at 11% per annum and repayable in equal annual instalments of \$367,494, including interest	\$ 331,539	\$ 629,760
Less- Current portion	331,539	298,221
	<u>\$ -</u>	<u>\$ 331,539</u>

#### 4. OBLIGATION UNDER CAPITAL LEASE

Included in machinery, furniture and equipment is \$147,357 for computer equipment under capital lease. The payments under this obligation are summarized as follows:

Year ending March 31,	
1994	\$ 39,576
1995	39,576
1996	19,548
1997	-
	<hr/>
	98,700
Less- Amount representing interest	16,740
	<hr/>
	81,960
Less- Current portion	29,143
	<hr/>
	\$ 52,817
	<hr/>

#### 5. DEFERRED REVENUE

Deferred revenue consists of:

	1993	1992
	<hr/>	<hr/>
Prepaid facilities rental and short-term advertising contracts	\$ 244,185	\$ 284,914
Long-term advertising contracts	187,500	262,500
	<hr/>	<hr/>
	431,685	547,414
Less- Current portion	319,185	359,914
	<hr/>	<hr/>
	\$ 112,500	\$ 187,500
	<hr/>	<hr/>

#### 6. COMMITMENTS AND CONTINGENCIES

- (a) The Exhibition has an agreement with the City of Vancouver, for a term expiring May 19, 1994, to lease Exhibition Park. The lease requires rent, among other items, to be re-negotiated every five years. The City and the Exhibition have not come to formal agreement on the rent or other items proposed as lease amendments applicable to the years after May 19, 1985. During this period the Pacific National Exhibition paid rent of \$300,000 per year plus additional rent of \$313,000 aggregate.

The amount of adjustments, if any, for claims by either party resulting from further negotiations not determinable and will be accounted for as a credit or charge to the period when agreement is reached.

**6. COMMITMENTS AND CONTINGENCIES (Contd.)**

- (b) The Exhibition has leased a portion of Exhibition Park to "Playland" Amusement Park Ltd. for a term expiring March 31, 1996. However, if the lease referred to in paragraph (a) above is not extended past May 19, 1994, the "Playland" Amusement Park Ltd. lease will terminate on that date.

Upon any termination of this lease, the Exhibition has agreed to purchase from the lessee all the lessee's fixed assets which are related to the Playland business. At March 31, 1993, had the Exhibition been required to purchase these assets, the cost to the Exhibition, as defined in this contract, would have been approximately \$5,100,000.

- (c) The Exhibition has a \$4 million unsecured line of credit with a chartered bank bearing interest at prime rate. As at year end, no draws have been made against this facility.
- (d) The Exhibition has entered into construction contracts aggregating \$500,000 in connection with portions of the Plan described in Note 1.
- (e) The Exhibition's present collective agreement with its regular full-time employees provides for severance pay of approximately one weeks pay for each year of service should the Exhibition permanently close any of its operations at its present location and not offer alternative employment at a new site or by a government sector operation.

A similar severance package can be expected for the Exhibition's non-unionized regular full-time employees, although no formal agreement presently exists.

**SUPERANNUATION FUND**

The Pacific National Exhibition contributes to the British Columbia Municipal Superannuation Fund for eligible employees.

**COMPARATIVE FIGURES**

Certain of the prior year's figures have been reclassified to conform to the current year presentation.

**Plain Language Institute of British Columbia Society****AUDITORS' REPORT**

To the Members of  
**Plain Language Institute of British Columbia Society**

We have audited the balance sheet of **Plain Language Institute of British Columbia Society** as at March 31, 1993 and the statement of income and members' equity for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the society as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.



Vancouver, Canada,  
May 21, 1993.

Chartered Accountants



**Plain Language Institute of British Columbia Society**  
Incorporated under the Society Act of British Columbia

**BALANCE SHEET**

As at March 31

	1993 \$	1992 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash	24,385	195,513
GST recoverable	6,778	4,812
Contract revenue receivable	3,110	—
Prepaid expenses	5,771	2,808
Accrued interest receivable	—	975
Deferred conference costs	—	11,265
<b>Total current assets</b>	<b>40,044</b>	<b>215,373</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Current</b>		
Accounts payable	15,490	20,354
Accrual for wind-up costs, net of recoveries [note 4]	24,554	—
<b>Total current liabilities</b>	<b>40,044</b>	<b>20,354</b>
<b>Members' equity</b>	<b>—</b>	<b>195,019</b>
	<b>40,044</b>	<b>215,373</b>

Commitments [note 5]

See accompanying notes

On behalf of the Board:

Director

*R.C. McCullers*

Director

*M. Griswold*



## Plain Language Institute of British Columbia Society

## STATEMENT OF INCOME AND MEMBERS' EQUITY

Year ended March 31

	1993 \$	1992 \$
<b>REVENUE</b>		
Grant revenue		
Law Foundation of B.C.	237,500	262,500
Ministry of Attorney General, Province of B.C.	250,000	150,000
	487,500	412,500
Just Language conference		
Department of Justice Canada	20,000	—
Ministry of Multiculturalism and Citizenship	20,000	—
Registration fees	69,477	—
	109,477	—
Contract revenue	30,000	—
Interest and other income	16,002	14,169
Total revenue	642,979	426,669
<b>EXPENDITURE</b>		
Office [schedule 1]	74,295	68,284
Administration [schedule 1]	91,366	66,593
Salaries and benefits	252,263	185,214
Equipment and furnishings [note 3]	19,466	14,453
Programs:		
Assessing needs	100,439	46,333
Defining plain language	2,907	21,893
Demonstrating effectiveness	32,722	—
Implementing plain language	20,113	23,821
Just Language conference	146,941	—
Raising consumer awareness	557	17,795
Raising writer awareness	43,680	26,210
Special contracts	28,695	—
Total expenditure	813,444	470,596
Excess of expenditure over revenue before wind-up costs	(170,465)	(43,927)
Accrual for wind-up costs, net of recoveries [note 4]	(24,554)	—
Excess of expenditure over revenue for the year	(195,019)	(43,927)
Members' equity, beginning of year	195,019	238,946
Members' equity, end of year	—	195,019

See accompanying notes

**Plain Language Institute of British Columbia Society****NOTES TO FINANCIAL STATEMENTS**

March 31, 1993

**1. ORGANIZATION AND WIND-UP OF OPERATIONS**

In 1990, the Ministry of the Attorney General of British Columbia, together with the Law Foundation of B.C., established the Plain Language Institute of British Columbia Society, which commenced operations August 2, 1990. Its mandate, to promote plain language in government, business and the legal community, expired on March 31, 1993.

The Society is being administered by a Board of Directors approved by the Attorney General of the Province of British Columbia until its remaining obligations are settled and its programs are completed or transferred to other parties.

**2. SIGNIFICANT ACCOUNTING POLICIES****Furniture, fixtures and equipment**

All furniture, fixtures and equipment have been charged to operations when purchased.

**Wind-up costs**

Costs relating to the wind-up of the Society have been estimated and accrued, net of estimated expense recoveries.

**Grants**

Grants are recorded and recognized as revenue when received.

**Accrual basis of accounting**

The Society records operating expenditures as they become payable, and interest revenue is recorded as earned.

**Statement of cash flows**

A statement of cash flows has not been presented as it would not provide any additional meaningful information.

# Plain Language Institute of British Columbia Society

## NOTES TO FINANCIAL STATEMENTS

March 31, 1993

### 3. EQUIPMENT AND FURNISHINGS

Equipment and furnishings include expenditures for the following:

	1993 \$	1992 \$
Desks, chairs and bookcases	1,406	5,903
Shelving, cabinets	548	3,413
Computer equipment	13,979	3,607
Service and maintenance contracts	3,533	1,530
	<u>19,466</u>	<u>14,453</u>

As part of the wind-up process, the equipment owned by the Society will be sold or transferred to other government or non-profit entities.

### 4. ACCRUAL FOR WIND-UP COSTS, NET OF RECOVERIES

The accrual for wind-up costs, net of recoveries, represents the net assets of the Society, before wind-up costs, at March 31, 1993. These net assets will be consumed by wind-up costs. Additional wind-up costs are not expected to exceed the maximum grant of \$62,500 committed by the Law Foundation of B.C.

### 5. COMMITMENTS

The Society is committed to pay aggregate future lease payments of \$21,135 under operating leases for office equipment and office premises expiring in August 1993.

## Plain Language Institute of British Columbia Society

## Schedule 1

# SCHEDULE OF OFFICE AND ADMINISTRATION EXPENSES

Year ended March 31

Office	1993 \$	1992 \$
Equipment lease	11,677	12,005
Insurance	829	300
Office	9,443	6,924
Rent and parking	41,886	38,824
Telephone	10,460	10,231
	<u>74,295</u>	<u>68,284</u>

Administration	1993 \$	1992 \$
Annual report	6,836	—
Bank charges and miscellaneous	923	4,593
Board meetings	3,259	4,225
Management review	6,279	—
Non-recoverable G.S.T.	12,682	—
Postage and courier	11,846	6,366
Professional	9,787	8,268
Promotion	18,141	27,430
Staff development	5,729	8,555
Travel	15,884	7,126
	<u>91,366</u>	<u>66,563</u>

*See accompanying notes*

**Provincial Capital Commission****Auditor General of British Columbia**

8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

**AUDITOR'S REPORT**

(604) 387-6803  
Fax (604) 387-1230

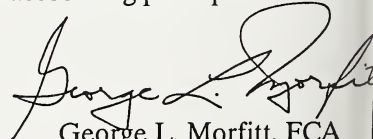
*To the Members of the  
Provincial Capital Commission, and*

*To the Minister of Aboriginal Affairs,  
Province of British Columbia:*

I have audited the balance sheet of the Provincial Capital Commission as at March 31, 1993, and the statement of revenue, expenditure and surplus for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 1993 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

  
George L. Morfitt, FCA  
Auditor General

*Victoria, British Columbia  
June 1, 1993*

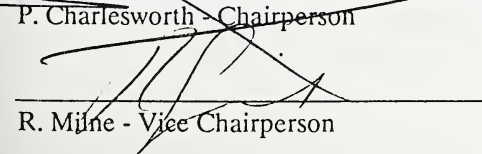
PROVINCIAL CAPITAL COMMISSION  
BALANCE SHEET  
AS AT MARCH 31, 1993

	<u>1993</u>	<u>1992</u>
<b>ASSETS</b>		
Cash	\$ 53,687	\$ 92,468
Short-term investments (note 4)	3,786,634	4,118,732
Accounts receivable	95,680	56,435
Inventory	5,046	8,000
Prepaid expenses	40,756	4,305
Property	<u>1</u>	<u>1</u>
	<u>\$3,981,804</u>	<u>\$4,279,941</u>
<b>LIABILITIES</b>		
Due to the Province of British Columbia	\$ 82,612	\$ 70,876
Accounts payable and accrued liabilities	141,649	598,752
Deferred revenue	<u>33,490</u>	<u>19,193</u>
	<u>257,751</u>	<u>688,821</u>
<b>SURPLUS</b>		
Appropriated (schedule 1)	580,047	582,000
Unappropriated	3,144,005	3,009,119
Contributed	<u>1</u>	<u>1</u>
	<u>3,724,053</u>	<u>3,591,120</u>
	<u>\$3,981,804</u>	<u>\$4,279,941</u>

The accompanying notes are an integral part of these financial statements.

Approved by the Commission:

  
P. Charlesworth - Chairperson

  
R. Milne - Vice Chairperson



PROVINCIAL CAPITAL COMMISSION  
STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS  
FOR THE YEAR ENDED MARCH 31, 1993

	<u>1993</u>	<u>1992</u>
REVENUE		
General Operations (schedule 2)	\$1,384,143	\$1,647,399
Crystal Garden (schedule 2)	932,571	1,002,085
Province of British Columbia Grant (Note 6)	<u>324,500</u>	<u>324,500</u>
	<u>2,641,214</u>	<u>2,973,984</u>
EXPENDITURE		
General Operations (schedule 2)	884,987	809,959
Crystal Garden (schedule 2)	1,148,036	1,011,246
Capital projects (schedule 1)	<u>475,258</u>	<u>1,164,196</u>
	<u>2,508,281</u>	<u>2,985,401</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	132,933	(11,414)
SURPLUS - BEGINNING OF YEAR	<u>3,591,120</u>	<u>3,824,599</u>
SURPLUS - END OF YEAR AS PREVIOUSLY STATED	3,724,053	3,813,182
PRIOR YEAR'S ADJUSTMENT (NOTE 3)	<u>-</u>	<u>(222,062)</u>
SURPLUS - END OF YEAR, AS RESTATED	<u>\$3,724,053</u>	<u>\$3,591,120</u>

PROVINCIAL CAPITAL COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1993

1. THE COMMISSION

The Provincial Capital Commission operates under authority of the *Capital Commission Act*.

The Commission is responsible for the following:

- advising on the planning and funding of improvement and beautification projects in the Capital Improvement District;
- controlling and managing specific approved projects not under the direct control of member municipalities;
- coordinating construction and development work of all construction proposals on land controlled or owned by the Province in the Capital Improvement District;
- serving Greater Victoria through co-operation with local municipalities and by assistance funding to approved improvement and beautification projects; and
- operating the Crystal Garden.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

These financial statements have been prepared in accordance with generally accepted accounting principles for non-profit organizations. A statement of changes in financial position has not been included as it would not provide any further meaningful information.

(b) Specific Accounting Policies

Short-term investments consist of units in Province of British Columbia Pooled Investment Portfolios. Units are carried at the lower of cost adjusted by income attributed to the units, and market value. Income attributed to the units represents the unitholder's share of interest earned by the Portfolio and may be realized upon sale of units.

PROVINCIAL CAPITAL COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1993

Inventory is valued at the lower of cost and net realizable value.

Property is comprised of land and buildings owned by the Commission and is recorded at a nominal value of one dollar. The costs of purchasing such assets and making capital improvements to them are written off when incurred. The assessed value of these properties is approximately \$53.7 million.

Furniture and equipment are recorded as general operating expenditures at the time of acquisition.

Appropriated surplus is comprised of unexpended balances of amounts approved by Orders in Council for capital projects which are not yet completed. Such projects are undertaken in cooperation with Capital Improvement District municipalities.

### 3. PRIOR PERIOD ADJUSTMENT

As a result of the settlement of legal claims previously regarding St. Ann's Academy applicable to fiscal 1992, \$222,062 has been charged to surplus for that year.

### 4. SHORT-TERM INVESTMENTS

Short-term investments as at March 31 are comprised of:

	<u>1993</u>	<u>1992</u>
Cost	\$3,786,687	\$4,118,732
Unrealized gain	<u>16,404</u>	<u>9,324</u>
Market value	<u>\$3,803,091</u>	<u>\$4,128,056</u>

### 5. FIXED ASSETS

Furniture and equipment purchased and expensed during the year amounted to:

	<u>1993</u>	<u>1992</u>
General Operations	\$11,367	\$16,357
Crystal Garden	<u>80,915</u>	<u>9,830</u>
	<u>\$92,282</u>	<u>\$26,187</u>

PROVINCIAL CAPITAL COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1993

6. RELATED PARTY TRANSACTIONS

The Ministry of Finance and Corporate Relations acts as fiscal agent for the Commission.

The Ministry of Aboriginal Affairs paid a \$324,500 grant to the Commission during the 1993 fiscal year (1992 - \$324,500) which was appropriated to the Beautification fund.

Included in revenue is rent of \$85,340 received from British Columbia Buildings Corporation (1992 - \$85,340).

7. PENSION PLAN

The Commission and its employees contribute to the Public Service Superannuation Plan administered by the Superannuation Commission of the Provincial Government.

The plan is a defined benefit pension plan. The detail of the unfunded liability of the plan is described in the financial statements of the Public Service Superannuation Fund. The Province of British Columbia has statutory responsibility for the unfunded liability of the Plan.

8. CONTINGENT LIABILITY

After serving a notice of default on April 10, 1991, the Commission terminated its agreement with the Academy Gardens Corporation to lease the St. Ann's Academy property. As a result, there are currently liens outstanding on the property totalling \$162,000 for which the Commission, as owner, could be found liable.

As at the date of the Auditor's Report, management and counsel are unable to provide estimates on the outcome and no provision has been made for them in the accounts.

Settlements, if any, will be reported as a prior period adjustment.

9. COMPARATIVES

Certain of the comparative figures have been reclassified to conform with the current year's presentation.

PROVINCIAL CAPITAL COMMISSION  
SCHEDULE OF APPROPRIATED SURPLUS  
FOR THE YEAR ENDED MARCH 31, 1993

Schedu

	<u>Sponsoring Agency</u>	<u>Fund Balance at Beginning of Year</u>	<u>Capital Appropriated During the Year</u>	<u>Expenditures During the Year</u>
<u>Beautification</u>				
Lochside Drive Phase I	Town of Sidney	\$ 11,000	\$ -	\$ 4,232
Belleville St. Phase II	City of Victoria	100,000	-	-
Goldstream Ave. Phase II	Capital Regional District	65,000	-	-
View Royal Park Phase III	Town of View Royal	50,000	-	-
Lochside Drive Phase III	Town of Sidney	70,000	-	62,721
Bowker Creek Phase III	District of Oak Bay	93,000	-	93,000
Mount Tolmie	District of Saanich	18,000	-	-
McNaughton St. Access to Gorge	Township of Esquimalt	10,000	-	-
Forshaw Road Access to Gorge	Township of Esquimalt	10,000	-	-
Bastion Square Revitalization	City of Victoria	155,000	-	155,000
Bastion Square Revitalization Phase II	City of Victoria	-	155,000	-
Lower Causeway Landscaping	City of Victoria	-	11,500	11,500
Colwood Creek Park	City of Colwood	-	30,000	-
Esquimalt Lagoon/Royal Roads foreshore study	City of Colwood	-	20,000	-
Cedar Hill Park	District of Saanich	-	100,000	-
Confederation Square	City of Victoria	<u>-</u>	<u>8,000</u>	<u>-</u>
		582,000	324,500	326,453
<u>General</u>				
468/470 Belleville Street	P.C.C.	<u>-</u>	<u>148,805</u>	<u>148,805</u>
		<u>\$582,000</u>	<u>\$473,305</u>	<u>\$475,258</u>

PROVINCIAL CAPITAL COMMISSION  
SCHEDULE OF OPERATING REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED MARCH 31, 1993

Schedule 2

	General Operations		Crystal Garden		Total	
	1993	1992	1993	1992	1993	1992
<b>REVENUE</b>						
Admissions	\$ -	\$ -	\$ 483,658	\$ 571,281	\$ 483,658	\$ 571,281
Ballroom/Bar	-	-	158,878	148,218	158,878	148,218
Refunded Deposit (Note 6)	-	252,050	-	-	-	252,050
Investment Income	279,064	416,625	86	167	279,150	416,792
Miscellaneous	1,891	3,331	1,060	3,799	2,951	7,130
Parking Lots	409,563	316,829	-	-	409,563	316,829
Rent	693,625	658,564	288,889	278,620	982,514	937,184
<b>TOTAL REVENUE</b>	<b>1,384,143</b>	<b>1,647,399</b>	<b>932,571</b>	<b>1,002,085</b>	<b>2,316,714</b>	<b>2,649,484</b>
<b>EXPENDITURE</b>						
Advertising & Promotion	8,398	2,651	75,126	94,813	83,524	97,464
Library	-	-	33,456	44,540	33,456	44,540
Outstanding Debts	-	-	1,467	-	1,467	-
Ballroom and Bar	-	-	48,866	46,180	48,866	46,180
Interfilies	-	-	1,021	-	1,021	-
Capital Improvements	256	-	77,715	9,830	77,971	9,830
Waste Collection Fees	90,838	70,073	-	-	90,838	70,073
Light	-	-	2,372	2,707	2,372	2,707
Agricultural	-	-	43,200	41,612	43,200	41,612
Insurance	101,250	33,658	14,463	14,596	115,713	48,254
Editorial	13,820	13,311	66,827	61,959	80,647	75,270
Landscaping	22,725	22,088	-	-	22,725	22,088
Miscellaneous	4,815	5,285	9,562	5,116	14,377	10,401
Office	51,822	47,604	4,525	3,118	56,347	50,722
Professional Services	29,269	24,616	-	-	29,269	24,616
Property Tax	46,643	43,425	54,809	52,559	101,452	95,984
Post	4,915	3,146	-	-	4,915	3,146
Repair & Maintenance	46,301	34,612	104,752	93,468	151,053	128,080
Salaries & Benefits	391,744	427,598	440,719	401,364	832,463	828,962
Security	38,775	49,598	45,873	37,593	84,648	87,191
Telephone	4,933	5,240	5,359	5,779	10,292	11,019
Trucks	-	-	7,212	4,849	7,212	4,849
Travel	2,591	1,668	5,026	3,036	7,617	4,704
Utilities	25,892	25,386	105,686	88,127	131,578	113,513
<b>TOTAL EXPENDITURES</b>	<b>884,987</b>	<b>809,959</b>	<b>1,148,036</b>	<b>1,011,246</b>	<b>2,033,023</b>	<b>1,821,205</b>
<b>PERIOD ADJUSTMENT</b>	<b>-</b>	<b>222,062</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>222,062</b>
<b>OPERATING REVENUE</b>						
<b>EXPENDITURE</b>	<b>\$ 499,156</b>	<b>\$ 615,378</b>	<b>(\$ 215,465)</b>	<b>(\$ 9,161)</b>	<b>\$ 283,691</b>	<b>\$ 606,217</b>



**Provincial Rental Housing Corporation****KPMG** Peat Marwick Thorne

Chartered Accountants

400 - 625 Agnes Street  
Queen's Court  
New Westminster, B.C.  
Canada V3M 5Y4Telephone (604) 526-2411  
Telefax (604) 520-6285**AUDITORS' REPORT**To the Shareholder of the  
Provincial Rental Housing Corporation

We have audited the balance sheet of the Provincial Rental Housing Corporation (the Corporation), as at December 31, 1992 and the statements of revenue and expenditure and retained earnings and changes in financial position for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 1992 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies described in note 1 to the financial statements. As required by the British Columbia Company Act, we report that, in our opinion, the principles have been applied on a basis consistent with that of the preceding year.

*Peat Marwick Thorne*Chartered Accountants  
New Westminster, Canada

May 21, 1993

Member Firm of  
Klynveld Peat Marwick Goerdeler

## PROVINCIAL RENTAL HOUSING CORPORATION

BALANCE SHEET  
AS AT DECEMBER 31

	<u>1992</u>	<u>1991</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 3,788,338	\$ 8,514,217
Due from British Columbia Housing Management Commission (note 2)	10,993,080	219,277
Amortization receivable	<u>-</u>	<u>115,521</u>
	14,781,418	8,849,015
<b>LONG-TERM INVESTMENT</b>	119,963	-
<b>INVESTMENT IN PROPERTIES (note 3)</b>	<u>246,395,594</u>	<u>219,440,820</u>
	<u>\$261,296,975</u>	<u>\$228,289,835</u>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Due to Province of British Columbia (note 4)	\$ 1,856,688	\$ 3,196,595
Interest payable	1,878,917	6,613,803
Current portion of long-term debt	<u>131,492</u>	<u>199,986</u>
	3,867,097	10,010,384
<b>LONG-TERM DEBT (note 5)</b>	<u>83,335,838</u>	<u>70,837,121</u>
	<u>87,202,935</u>	<u>80,847,505</u>
<b>SHAREHOLDER'S EQUITY</b>		
Share capital		
Authorized:		
10,000 common shares, no par value		
Issued:		
3 common shares	3	3
Contributed surplus (note 6)	84,399,233	83,449,357
Property acquisition contribution (note 7)	62,837,496	39,237,851
Retained earnings	<u>26,857,308</u>	<u>24,755,119</u>
	<u>174,094,040</u>	<u>147,442,330</u>
	<u>\$261,296,975</u>	<u>\$228,289,835</u>

Approved by the Board:

Chair



Director



See accompanying notes.

## PROVINCIAL RENTAL HOUSING CORPORATION

**STATEMENT OF REVENUE AND EXPENDITURE  
AND RETAINED EARNINGS  
YEARS ENDED DECEMBER 31**

	<u>1992</u>	<u>1991</u>
<b>Revenue:</b>		
Amortization	<u>\$ 8,452,840</u>	<u>\$ 8,568,36</u>
<b>Expenditure:</b>		
Interest on long-term debt	<u>8,071,450</u>	<u>7,205,53</u>
Excess of revenue over expenditure	381,390	1,362,82
Subsidies received from British Columbia Housing Management Commission	<u>1,720,799</u>	<u>610,51</u>
	2,102,189	1,973,34
<b>Retained earnings:</b>		
Balance, beginning of year	<u>24,755,119</u>	<u>22,781,7</u>
Retained earnings, end of year	<u><u>\$26,857,308</u></u>	<u><u>\$24,755,1</u></u>

See accompanying notes.

## PROVINCIAL RENTAL HOUSING CORPORATION

STATEMENT OF CHANGES IN FINANCIAL POSITION  
YEARS ENDED DECEMBER 31

	<u>1992</u>	<u>1991</u>
Cash provided by (used for):		
Operating activities		
Excess of revenue over expenditure	\$ 381,390	\$ 1,362,822
Changes in non-cash operating working capital:		
Funds held in trust	-	2,892,356
Amortization receivable	115,521	-
Due from British Columbia Housing Management Commission	(10,773,803)	671,046
Due to Province of British Columbia	(1,339,907)	(582,361)
Interest payable	<u>(4,734,886)</u>	<u>(161,404)</u>
Cash (applied to) provided by operations	<u>(16,351,685)</u>	<u>4,182,459</u>
Investing activities		
Property acquisition	(26,954,774)	(31,767,283)
Less transfer to Contributed surplus (note 6)	949,876	277,341
Long-term investment	<u>(119,963)</u>	<u>-</u>
Cash applied to investing activities	<u>(26,124,861)</u>	<u>(31,489,942)</u>
Financing Activities		
Long-term debt	12,430,223	1,052,270
Subsidy receipts	1,720,799	610,518
Property acquisition contribution	<u>23,599,645</u>	<u>25,421,651</u>
Cash provided by financing activities	<u>37,750,667</u>	<u>27,084,439</u>
Decrease in cash position during the year	(4,725,879)	(223,044)
Cash position, beginning of year	<u>8,514,217</u>	<u>8,737,261</u>
Cash position, end of year	<u>\$ 3,788,338</u>	<u>\$ 8,514,217</u>

See accompanying notes.

## PROVINCIAL RENTAL HOUSING CORPORATION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1992

## GENERAL

The Provincial Rental Housing Corporation (the Corporation), is incorporated under the Company Act of the Province of British Columbia. The Corporation is wholly owned by the Province of British Columbia, and is an agent of the Crown.

The Corporation acquires and holds property for social housing and other low cost housing for the Province. The subsidized rental housing units of the Corporation are managed and operated by the British Columbia Housing Management Commission (the Commission), which records the related rental revenue and is responsible for all of the operating and administrative costs.

## 1. SIGNIFICANT ACCOUNTING POLICIES:

- a) These financial statements are prepared in accordance with generally accepted accounting policies which include the accrual basis of accounting.
- b) Investment in properties

The Corporation has invested in the following social housing and other properties:

## i) Provincial interest properties

Provincial interest properties are recorded at 25% of their original cost. These properties are jointly owned by the Province of British Columbia (25%) and the Canada Mortgage and Housing Corporation (75%).

## ii) Wholly owned properties

Properties are recorded at historical cost.

## iii) Group homes and social housing land

Properties are recorded at cost, except where title to Crown owned properties has been transferred to the Corporation. These properties are recorded by the Corporation at fair market value. Fair market value is defined as the British Columbia property tax assessment value or appraised value, as determined by a qualified appraiser, if assessment values are not available at the time the property is transferred.

The Corporation's policy is not to depreciate the buildings held in Investment in properties.

## c) Amortization revenue

Amortization revenue represents amounts charged to the Commission Provincial interest and Wholly owned properties based on the capital and interest costs of the housing units amortized, generally up to 50 years.



NOTES TO PROVINCIAL RENTAL HOUSING CORPORATION FINANCIAL STATEMENTS  
DECEMBER 31, 1992 (CONTINUED)

d) Administration and financing

The Commission acts as agent in administering and financing the operations and capital projects of the Corporation. No administration costs are charged to the Corporation for such services performed, and accordingly any interest earned by the Corporation is recorded by the Commission.

e) Property leases

The Corporation leases certain properties to non-profit societies. Under the financial arrangements all lease payments are made directly to the Province of British Columbia.

f) Insurance

The Corporation does not insure its rental housing properties, instead property losses are compensated for by the Province of British Columbia via the Commission and, for certain properties, the Canada Mortgage and Housing Corporation.

**DUE FROM BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION**

This balance represents cumulative land acquisition, development and financing transactions where the Commission acted as agent for the Corporation. This amount is unsecured, bears no interest, and is settled annually.

**INVESTMENT IN PROPERTIES**

	<u>1992</u>	<u>1991</u>
Subsidized rental housing, at cost		
i) Provincial interest		
These are properties held under		
Section 79 of the National Housing		
Act (NHA)	\$ 24,916,155	\$ 24,916,155
ii) Wholly owned properties		
These are properties held under		
Section 82 of the NHA	64,273,380	64,273,380
Group homes		
These are properties acquired directly		
by the Corporation or transferred at		
fair market value as per note 1(a)(iii)	34,841,164	19,931,474
Social housing land		
These are properties held under Section 95		
of the NHA. They are recorded at fair		
market value as per note 1(a)(iii)	<u>122,364,895</u>	<u>110,319,811</u>
	<u>\$246,395,594</u>	<u>\$219,440,820</u>
	=====	=====



NOTES TO PROVINCIAL RENTAL HOUSING CORPORATION FINANCIAL STATEMENTS  
DECEMBER 31, 1992 (CONTINUED)

4. DUE TO PROVINCE OF BRITISH COLUMBIA

This amount represents the principal repayable on demand from the 9.75% debenture, as disclosed in note 5.

5. LONG-TERM DEBT

	<u>1992</u>	<u>1991</u>
Province of British Columbia		
9.75% debenture repayable on demand and secured by a floating charge on all property, and other assets and undertakings of the Corporation	\$18,117,091	\$19,898,997
Canada Mortgage and Housing Corporation		
Debenture mortgages repayable at the end of each year, over terms of up to 50 years maturing between the years 2027 and 2038, bearing interest at rates from 8% to 10.75% and secured by unregistered first mortgages on certain properties of the Corporation with a cost of \$56,004,563	44,530,145	44,891,396
Chartered Banks		
Mortgages repayable from March 1, 1993 to September 1, 2010 bearing interest at rates from 6.875% to 13.75% and secured by registered first mortgages on various properties of the Corporation	<u>22,676,782</u>	<u>8,028,620</u>
	85,324,018	72,819,013
Less: Current portion due to Province of British Columbia (note 4)	1,856,688	1,781,906
Current portion, other	<u>131,492</u>	<u>199,986</u>
	<u><u>\$83,335,838</u></u>	<u><u>\$70,837,123</u></u>

The aggregate repayment of principal required to meet total debt obligations in each of the next five years is estimated to be as follows:

1993	\$ 131,492
1994	\$ 373,000
1995	\$ 406,000
1996	\$ 447,000
1997	\$ 493,000

6. CONTRIBUTED SURPLUS

During 1992, the Corporation acquired certain properties. These properties were recorded at fair market value which exceeded the acquisition cost. The excess amount of \$949,876 was recorded as contributed surplus.

NOTES TO PROVINCIAL RENTAL HOUSING CORPORATION FINANCIAL STATEMENTS  
DECEMBER 31, 1992 (CONTINUED)

**7. PROPERTY ACQUISITION CONTRIBUTION**

Property acquisition contribution represents funds provided by the Province of British Columbia for Investment in properties.

**8. COMPARATIVE INFORMATION**

Certain 1991 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1992.

**Science Council of British Columbia****DYKE &  
HOWARD****CHARTERED ACCOUNTANTS**L.R. Bisaro Ltd.  
T.C. Hamar Ltd.  
M.E. Louie Ltd.D.W. Louie Ltd.  
M.O. Nakanishi Ltd.  
R.B. Macfarlane Ltd.

Associates

R. E. Foret, C.A.

R.S. Ferguson, C.A.

**AUDITORS' REPORT**

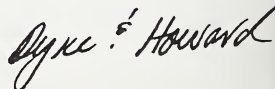
To the Minister of  
Advanced Education, Training and Technology

We have audited the balance sheet of Science Council of British Columbia as at March 31, 1993 and the statements of Program receipts, expenditures and appropriations; SPARK receipts, expenditures and appropriations; Operations receipts, expenditures and appropriations; and changes in financial position for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles, except as disclosed in Note 2 to the financial statements.

Vancouver, B.C.  
May 3, 1993

**Chartered Accountants**

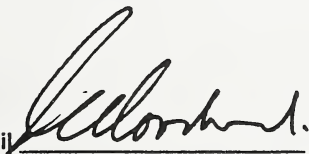
# Science Council of British Columbia

## BALANCE SHEET

March 31, 1993

	<u>1993</u>	<u>1992</u>
<b>ASSETS</b>		
CASH	\$ 1,136,312	\$ 6,776,692
SHORT-TERM INVESTMENTS	16,347,805	14,670,253
ACCOUNTS RECEIVABLE	85,126	164,759
GRANTS RECEIVABLE	-	1,340,000
INTEREST RECEIVABLE	<u>230,154</u>	<u>124,803</u>
	\$ <u>17,799,397</u>	\$ <u>23,076,507</u>
<b>LIABILITIES</b>		
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 352,105	\$ 413,779
<b>APPROPRIATIONS</b>		
PROGRAMS (Note 3)	17,262,019	22,110,023
STRATEGIC PLANNING FOR APPLIED RESEARCH AND KNOWLEDGE (SPARK)	185,273	187,068
OPERATIONS	<u>-</u>	<u>365,637</u>
	\$ <u>17,799,397</u>	\$ <u>23,076,507</u>

Approved by the Council



Member



Member

# Science Council of British Columbia

## STATEMENT OF PROGRAM RECEIPTS, EXPENDITURES AND APPROPRIATIONS

Year ended March 31, 1993

	<u>1993</u>	<u>1992</u>
<b>PROGRAM RECEIPTS</b>		
Grants from the Province of British Columbia (Schedule 1)	\$ 11,416,341	\$ 16,920,684
Contribution from the British Columbia Health Research Foundation	98,066	404,678
Interest	1,194,499	1,578,057
Refunds of prior years' program expenditures	80,629	189,446
Other	<u>52,154</u>	<u>37,223</u>
	<u>12,841,689</u>	<u>19,130,088</u>
<b>PROGRAM EXPENDITURES (Schedule 2)</b>	16,816,056	17,856,434
<b>TRANSFER TO OPERATIONS</b>	623,637	850,300
<b>TRANSFER TO SPARK</b>	<u>250,000</u>	<u>300,000</u>
	<u>17,689,693</u>	<u>19,006,734</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES</b>	(4,848,004)	123,354
<b>PROGRAM APPROPRIATIONS, beginning of year</b>	<u>22,110,023</u>	<u>21,986,669</u>
<b>PROGRAM APPROPRIATIONS, end of year</b>	\$ <u>17,262,019</u>	\$ <u>22,110,023</u>

# Science Council of British Columbia

## STATEMENT OF SPARK RECEIPTS, EXPENDITURES AND APPROPRIATIONS Year ended March 31, 1993

	1993	1992
<b>SPARK RECEIPTS</b>		
Grants from the Province of British Columbia	\$ 500,000	\$ 500,000
Grants from the Government of Canada	91,500	200,000
Transfer from Program	250,000	300,000
Other receipts	<u>176,143</u>	<u>171,889</u>
	<u>1,017,643</u>	<u>1,171,889</u>
<b>SPARK EXPENDITURES</b>		
Operations		
Communications and travel	77,236	72,762
Furniture and equipment	3,712	17,264
Office	31,842	33,959
Professional fees	840	91,169
Rent and leasehold improvements	30,000	30,000
Salaries and benefits	109,494	101,548
Workshops and forums	<u>48,861</u>	<u>57,267</u>
	<u>301,985</u>	<u>403,969</u>
Sectors		
Advanced materials	10,623	8,343
Aquatic resources	-	35,114
Biotechnology	-	162
Construction	1,323	13,923
Energy	75,101	73,660
Environment	78,367	53,836
Fiscal	58	2,043
Health	129,163	180,186
Human resources	27,779	8,078
Information technology	121,579	109,494
Manufacturing	44,334	72,207
Mining	70,000	55,588
Oceans	152,303	3,413
Transportation	<u>6,823</u>	<u>6,462</u>
	<u>717,453</u>	<u>622,509</u>
<b>TOTAL EXPENDITURES</b>	<u>1,019,438</u>	<u>1,026,478</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES</b>	(1,795)	145,411
<b>SPARK APPROPRIATIONS, beginning of year</b>	<u>187,068</u>	<u>41,657</u>
<b>SPARK APPROPRIATIONS, end of year</b>	\$ <u>185,273</u>	\$ <u>187,068</u>



# Science Council of British Columbia

## STATEMENT OF OPERATIONS RECEIPTS, EXPENDITURES AND APPROPRIATIONS

Year ended March 31, 1993

	1993	1992
<b>OPERATIONS RECEIPTS</b>		
Grant from the Province of British Columbia	\$ 700,000	\$ 900,000
Interest	38,800	43,376
Transfer from Program	623,637	850,300
Recoveries	59,347	64,773
	<u>1,421,784</u>	<u>1,858,449</u>
<b>EXPENDITURES</b>		
Computer services	6,119	7,711
Consulting and temporary staff	32,902	55,741
Dues and memberships	4,933	3,658
Furniture and equipment	28,712	62,072
Leasehold Improvements	1,832	4,632
Meetings	15,502	21,060
Personnel - recruitment	63,270	2,660
Photocopying and printing	42,489	53,956
Postage and courier	37,758	36,719
Professional development	4,988	8,887
Professional fees	25,100	21,616
Publications	5,035	4,795
Rent	235,349	280,102
Salaries and employee benefits	1,171,129	953,072
Stationery and supplies	27,135	19,465
Telephone	16,814	18,064
Travel	68,354	75,486
	<u>1,787,421</u>	<u>1,629,696</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES</b>	(365,637)	228,753
<b>OPERATIONS APPROPRIATIONS, beginning of year</b>	<u>365,637</u>	<u>136,884</u>
<b>OPERATIONS APPROPRIATIONS, end of year</b>	\$ <u>-</u>	\$ <u>365,637</u>

# Science Council of British Columbia

## STATEMENT OF CHANGES IN FINANCIAL POSITION

### Year ended March 31, 1993

	<u>1993</u>	<u>1992</u>
CASH PROVIDED FROM (USED FOR) OPERATING ACTIVITIES		
Excess (deficiency) of receipts over disbursements		
Program	\$ (4,848,004)	\$ 123,354
SPARK	(1,795)	145,411
Operations	<u>(365,637)</u>	<u>228,753</u>
	(5,215,436)	497,518
Changes in non-cash working capital accounts	<u>1,252,608</u>	<u>627,001</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR	(3,962,828)	1,124,519
CASH AND SHORT-TERM INVESTMENTS, beginning of year	<u>21,446,945</u>	<u>20,322,426</u>
CASH AND SHORT-TERM INVESTMENTS, end of year	\$ <u>17,484,117</u>	\$ <u>21,446,945</u>

# Science Council of British Columbia

## SCHEDULE OF PROGRAM GRANTS FROM THE PROVINCE OF BRITISH COLUMBIA

Year ended March 31, 1993

	<u>1993</u>	<u>1992</u>
<b>GRANTS FROM THE PROVINCE OF BRITISH COLUMBIA</b>		
Ministry of Advanced Education, Training and Technology		
- Base	\$ 4,700,000	\$ 4,900,000
- Copplst	10,000	-
- Hydrogen Alliance	156,100	492,000
- Regional S & T Councils	235,000	340,000
- Science & Technology Fund Event	-	20,000
- Science Fair Winners	25,241	57,684
- Technology B.C./STDF	6,750,000	10,000,000
- TEST	-	500,000
- Wastewater Technology	-	11,000
	<u>11,876,341</u>	<u>16,320,684</u>
Ministry of Environment		
- R2D2	740,000	1,000,000
- Sustainable Development Fund	-	1,000,000
	<u>740,000</u>	<u>2,000,000</u>
	<u>12,616,341</u>	<u>18,320,684</u>
<b>LESS</b>		
Base grant for Operations	700,000	900,000
Base grant for SPARK	<u>500,000</u>	<u>500,000</u>
	<u>1,200,000</u>	<u>1,400,000</u>
	\$ <u>11,416,341</u>	\$ <u>16,920,684</u>

## Schedule 2

# Science Council of British Columbia

## SCHEDULE OF COMMITMENTS AND DISBURSEMENTS OF SCIENCE COUNCIL PROGRAM GRANTS

### Year ended March 31, 1993

	Known outstanding commitments beginning of year	Additional commitments during year	Commitment reductions during year	Disbursed during year	Known outstanding commitments end of year
<b>AGAR</b>					
Research Competition # 19	\$ 11,850	\$ -	\$ 11,850	\$ -	\$ -
Research Competition # 20	<u>35,788</u>	<u>-</u>	<u>21,137</u>	<u>14,651</u>	<u>-</u>
	<u>47,638</u>	<u>-</u>	<u>32,987</u>	<u>14,651</u>	<u>-</u>
<b>HEALTH DEVELOPMENT PROGRAMS</b>					
HDF 1989/90 - SCBC	287,009	-	2,694	218,312	66,003
HDF 1990/91 - SCBC	530,902	-	-	419,460	111,442
HDF 1988/89 - JOINT	2,609	-	-	2,609	-
HDF 1989/90 - JOINT	160,915	-	53,698	84,544	22,673
HDF 1990/91 - JOINT	<u>469,584</u>	<u>-</u>	<u>30,000</u>	<u>252,178</u>	<u>187,406</u>
	<u>1,451,019</u>	<u>-</u>	<u>86,392</u>	<u>977,103</u>	<u>387,524</u>
<b>HUMAN RESOURCE PROGRAMS</b>					
GREAT (GC 11)	173,142	-	19,899	153,243	-
GREAT (GC 12)	-	1,564,651	39,950	1,524,701	-
IPDF 1991/92	175,000	-	-	175,000	-
IPDF 1992/93	-	375,000	43,750	237,500	93,750
MART 1990/91	65,038	-	17,441	41,597	6,000
MART 1991/92	380,481	-	29,126	310,621	40,734
MART 1992/93	-	499,492	4,110	312,179	183,203
STARS 1992/93	-	216,000	18,000	198,000	-
TEST 1989/90	39,408	-	12,736	26,672	-
TEST 1991/92	140,484	-	26,710	110,661	3,113
TEST 1992/93	<u>-</u>	<u>405,235</u>	<u>46,917</u>	<u>148,883</u>	<u>209,435</u>
	<u>973,553</u>	<u>3,060,378</u>	<u>258,639</u>	<u>3,239,057</u>	<u>536,235</u>
<b>SCIENCE &amp; TECHNOLOGY PROGRAMS</b>					
MOE Sustainable Development	1,000,000	-	68,000	49,927	882,073
MOE Centres of Excellence	963,326	-	-	600,033	363,293
R2D2 1992/93	637,000	-	-	497,629	139,371
R2D2 1993/94	-	766,123	-	292,219	473,904
SA-2	449,943	-	185,873	264,070	-
SA-3	2,178,634	-	552,904	1,625,730	-
Tech B.C. 1	3,524,135	-	185,059	2,673,701	665,375
Tech B.C. 2	5,200,507	-	326,601	3,365,482	1,508,424
Tech B.C. 3	-	5,752,646	186,052	2,043,194	3,523,400
Tech B.C. 4	<u>-</u>	<u>4,153,011</u>	<u>69,234</u>	<u>-</u>	<u>4,083,777</u>
	<u>13,953,545</u>	<u>10,671,780</u>	<u>1,573,723</u>	<u>11,411,985</u>	<u>11,639,617</u>
<b>TOTAL - PAGE 1</b>	<u>16,425,755</u>	<u>13,732,158</u>	<u>1,951,741</u>	<u>15,642,796</u>	<u>12,563,376</u>

# Science Council of British Columbia

## SCHEDULE OF COMMITMENTS AND DISBURSEMENTS OF SCIENCE COUNCIL PROGRAM GRANTS

Year ended March 31, 1993

	Known outstanding commitments beginning of year	Additional commitments during year	Commitment reductions during year	Disbursed during year	Known outstanding commitments end of year
CARRIED FORWARD	\$ 16,425,755	\$ 13,732,158	\$ 1,951,741	\$ 15,642,796	\$ 12,563,376
SPECIAL PROJECTS/SPECIAL REQUESTS					
Acoustic Ocean Thermometer	-	5,000	-	5,000	-
Client Needs Survey - Incremental	3,989	-	464	3,525	-
Freedom of Information	-	15,000	-	4,362	10,638
GREAT Event	-	10,000	2,018	7,982	-
Marketing & Management Skills Workshop	3,108	-	-	3,108	-
Marketing Skills Development Program	-	10,000	-	10,000	-
Marketing Study	3,262	-	2,854	408	-
Mechanical Institute Workshop	-	4,000	-	4,000	-
Peace Region Enterprise Development Centre	1,000	-	-	1,000	-
Prince George Astronomical	-	16,000	-	14,400	1,600
Regions - Kamloops	1,000	-	-	-	1,000
Regions - Kelowna	1,000	-	-	-	1,000
Research & Development Tax Project	-	10,000	-	10,000	-
S & T Fund Event	730	-	-	730	-
Strategic Planning	-	30,000	-	21,945	8,055
Technology Alliance	-	5,000	-	5,000	-
Technology Map of B.C.	2,000	5,000	2,797	4,203	-
UBC Electric Car	1,000	-	-	1,000	-
Vancouver Island Technology Centre	36,000	-	-	36,000	-
Women in Science	2,113	-	-	-	2,113
	55,202	110,000	8,133	132,663	24,406
SPECIAL INITIATIVES FUND	807,846	-	2,069	104,177	701,600
SCIENCE AWARENESS PROGRAMS					
BCSTA/FISA Book Prize 1993	3,893	10,000	2,052	11,841	-
Communication & Education	-	137,500	-	137,500	-
Public Awareness Fund	43,488	30,000	-	6,329	67,159
Science & Engineering Awards	-	57,000	-	57,000	-
Science Students - Recognition	18,609	25,241	-	36,432	7,418
Science School Fairs	25,000	30,000	25,100	29,900	-
	90,990	289,741	27,152	279,002	74,577
OTHER EXPENDITURES					
Hydrogen Alliance	29,739	159,126	-	188,865	-
Regional S & T Councils	340,000	280,631	-	171,862	448,769
University Industry Chairs	500,000	-	250,000	25,000	225,000
Program Evaluations/Promotions/Audits	50,491	310,000	88,800	271,691	-
	920,230	749,757	338,800	657,418	673,769
	\$ 18,300,023	\$ 14,881,656	\$ 2,327,895	\$ 16,816,056	14,037,728
APPROPRIATED FUNDS TO BE COMMITTED					
Base					979,939
Health Development Fund					1,312,736
Technology B.C.					351,826
Ministry of Environment					579,790
PROGRAM APPROPRIATIONS, end of year (Note 3)					\$ 17,262,019



# Science Council of British Columbia

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 1993

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### 1. ORGANIZATION

Science Council of British Columbia was established in June 1978 under the Science Council of British Columbia Act. In 1989, Science Council of British Columbia and the Secretariat on Science, Research and Development were amalgamated pursuant to the Science Council Act, Chapter 77, and continued as Science Council of British Columbia ("Science Council").

The mandate of Science Council is to promote economic development and enhance the quality of life in British Columbia through innovative applications of science and technology.

### 2. ACCOUNTING POLICIES

#### **Basis of accounting for receipts, expenditures and appropriations**

Grant receipts are accounted for in the year the respective grant agreement becomes effective.

Full provision is made for all accrued liabilities except that outstanding Program commitments, which are conditional on receipt of satisfactory progress reports, are not recorded until disbursed.

Appropriations are comprised of grant receipts (net of transfers and disbursements), and any interest earned thereon, that are designated for expenditure under the programs specified in the grant agreement.

#### **Short-term investments**

Short-term investments are recorded at the lower of cost and market value.

#### **Capital assets**

Capital assets are not capitalized and depreciated, but are recorded as expenditures in the period they are purchased.

### 3. PROGRAM APPROPRIATIONS

As at March 31, 1993 Program appropriations amounted to \$ 17,262,019 (1992 - \$ 22,110,023), of which \$ 14,037,728 (1992 - \$ 18,300,023) has been committed for expenditure for specifically identifiable projects and awards. The remaining balance of the Program appropriations amount is to be committed for expenditure throughout the remaining terms of the programs as per the funding contracts with the Province of British Columbia.

### 4. PROGRAM COMMITMENTS

During the year, Science Council approved and committed to fund programs (as outlined in Schedule 2), totalling \$ 15,393,445 (1992 - \$ 21,901,686). At March 31, 1993, known outstanding commitments totalled \$ 14,037,728 (1992 - \$ 18,300,023).

### 5. LEASE COMMITMENTS

Science Council is committed to lease office premises until March 31, 1998 at a base monthly rental of approximately \$ 17,400. Science Council has entered into an agreement to sublet a portion of the office space until March 31, 1998 at a base monthly rental of approximately \$ 5,050.



## The Education Technology Centre of British Columbia

Chartered Accountants

Suite 620  
880 Douglas Street  
Victoria, B.C. V8W 2B7(604) 383 1191  
Fax (604) 381 4623*Price Waterhouse*

May 27, 1993

### Auditor's Report

To the Members of  
The Education Technology Centre of British Columbia

We have audited the balance sheet of The Education Technology Centre of British Columbia as at March 31, 1993 and the statements of revenue and expenditures and surplus and changes in financial position for the year then ended. These financial statements are the responsibility of the society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the society as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles described in Note 3 to the financial statements. As required by the Society Act of the Province of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding period.

*Price Waterhouse*

Chartered Accountants

# The Education Technology Centre of British Columbia

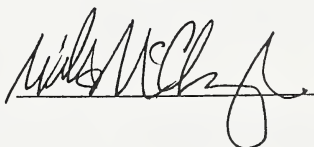
## Balance Sheet

	March 31	
	1993	1992
<b>Assets</b>		
Current assets		
Petty cash	\$ 500	\$ 500
Due from University of Victoria (Note 4)	1,070,503	1,645,696
Grants and accounts receivable	134,618	6,881
Prepaid expenses	43,852	96,099
	<u>1,249,473</u>	<u>1,749,176</u>
Prepaid rent (Note 5)	596,760	641,239
Fixed assets, at nominal value (Note 6)	<u>1</u>	<u>1</u>
	<u>\$ 1,846,234</u>	<u>\$ 2,390,416</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 219,071	\$ 449,832
Vacation payable	13,638	9,539
GST payable	1,963	1,058
Wages payable	-	2,603
Unearned revenue (Note 7)	87,900	484
	<u>322,572</u>	<u>463,516</u>
Deferred revenue (Note 5)	596,760	641,239
<b>Members' Equity</b>		
Surplus	726,902	985,661
Contingency reserve (Note 12)	200,000	300,000
	<u>\$ 1,846,234</u>	<u>\$ 2,390,416</u>

Approved by the Board:



Director



Director

# The Education Technology Centre of British Columbia

## Statement of Revenue and Expenditures and Surplus

	Year Ended March 31	
	1993	1992 (Note 13)
Revenue		
Grant revenue		
Ministry of Education (Note 8)	\$ 1,494,479	\$ 2,245,335
Ministry of Education, Native Education	-	35,000
Learning Resources Branch	90,000	55,000
Government of Canada - CLE (Note 10)	56,000	-
Ministry of Education - STAP grant	120,000	190,000
Province of B.C. - NDLP Grant	34,491	-
Total grant revenue	1,794,970	2,525,335
Other revenue		
Information services	484	133,676
Registration fees (Note 11)	44,567	2,290
Investment - interest	77,256	126,763
Donations (Note 6)	18,470	250,977
Miscellaneous revenues	21,541	10,446
Dial ports (Note 11)	63,633	-
Total other revenue	225,951	524,152
Total revenue	2,020,921	3,049,487
Expenses		
Staff salaries and benefits	583,033	500,973
Seconded and contract salaries and benefits	523,274	612,013
Travel	189,211	366,061
Professional services	352,027	849,353
Operating expenses		
Data and word processing production	\$ 195,580	\$ 227,809
Office	70,605	64,252
Advertising	7,313	2,177
Printing	48,683	31,162
Equipment lease/maintenance	21,962	30,052
	344,143	355,452
Asset acquisitions	210,511	256,609
Building occupancy		
Office lease	92,449	97,048
Leasehold improvements	1,108	10,905
	93,557	107,953
Balance, carried forward	\$ 2,295,756	\$ 3,048,414

# The Education Technology Centre of British Columbia

## Statement of Revenue and Expenditures and Surplus

Page 2

	Year ended March 31	
	1993	1992 (Note 13)
Balance, brought forward	\$ 2,295,756	\$ 3,048,414
Grants (Note 9)	83,924	365,159
Total expense	<u>2,379,680</u>	<u>3,413,573</u>
Excess (deficiency) of revenue over expenses	(358,759)	(364,086)
Surplus, beginning of year	<u>985,661</u>	<u>1,649,747</u>
Contingency reserve (Note 12)	626,902 (100,000)	1,285,661 300,000
Surplus, end of year	<u>\$ 726,902</u>	<u>\$ 985,661</u>

# The Education Technology Centre of British Columbia

## Statement of Changes in Financial Position

	Year ended March 31	
	1993	1992
Funds provided by (used in) operating activities		
Deficiency of revenue over expenses	\$ (358,759)	\$ (364,086)
Non-cash operating items		
Grants receivable	(127,737)	57,518
Prepaid expenses	52,247	13,883
Accounts payable and accrued liabilities	(230,761)	231,476
Vacation payable	4,099	(1,524)
GST payable	905	274
Unearned revenue	87,416	(4,316)
Wages payable	(2,603)	2,603
	<u>(575,193)</u>	<u>(64,172)</u>
Funds provided by (used in) investing activities		
Prepaid rent	44,479	45,334
Deferred revenue	(44,479)	(45,334)
	<u>-</u>	<u>-</u>
Decrease in funds	(575,193)	(64,172)
Funds, beginning of year	<u>1,646,196</u>	<u>1,710,368</u>
Funds, end of year	<u>\$ 1,071,003</u>	<u>\$ 1,646,196</u>
Funds represented by		
Petty cash	\$ 500	\$ 500
Due from University of Victoria	<u>1,070,503</u>	<u>1,645,696</u>
	<u>\$ 1,071,003</u>	<u>\$ 1,646,196</u>

# The Education Technology Centre of British Columbia

## Notes to the Financial Statements

March 31, 1993

---

### 1. Education Technology Centre of British Columbia ("ETC")

#### Purpose

ETC is a research and training centre whose purpose is to promote effective use of computer technology in British Columbia schools (K-12). ETC provides leadership in the following areas:

- Inservice programs
- Research and development
- Telecommunications

#### Mission

ETC's mission is to explore the uses of technology that will help personalize learning and that will assist learners to achieve their potential.

### 2. Incorporation

ETC was incorporated October 24, 1989 under the Society Act, Province of British Columbia.

### 3. Significant accounting policies

ETC's financial statements are prepared in accordance with generally accepted accounting principles for non-profit organizations (Section 4230).

### 4. Due from University of Victoria

The University of Victoria holds grants and other funds on behalf of ETC on an interest bearing basis.

### 5. Prepaid office lease and deferred revenue

Pursuant to an agreement with the University of Victoria and Dunsmuir Lodge, ETC has advanced \$713,020 to complete the construction and renovation of premises owned by the University of Victoria in return for a 16 year prepaid triple net lease of the premises. The total cost of construction has been deferred as prepaid rent. The related funding of \$713,020 received from the Ministry of Education has been reported as deferred revenue. The prepaid rent and deferred revenue are amortized on a straight-line basis over 16 years from completion of construction. Construction was considered to be substantially completed in August, 1990.

### 6. Fixed assets (Schedule 1)

It is the policy of ETC to expense fixed assets and capital leases in the year of acquisition or donation.

#### Donated equipment and services (Schedule 1)

It is the policy of ETC to record donated equipment and services at estimated fair market value.



# The Education Technology Centre of British Columbia

## Notes to the Financial Statements

March 31, 1993

Page 2

### 7. Unearned revenues

It is the policy of ETC to realize revenue when earned regardless of when payment for services is received. Revenue of \$87,900 for services to be delivered after March 31, 1993 has been deferred as unearned revenue.

### 8. Ministry of Education Grant Revenue

The Ministry of Education grant revenue includes \$1,450,000 provided as an operating grant together with the amortization of deferred revenue in the amount of \$44,479.

### 9. Grants

#### Research grants

It is the policy of ETC to expense research grants as they are paid out due to the nature of the administration of granted funds.

#### Fellowship grants

It is the policy of ETC to amortize grants for ETC fellowships over the length of the fellowship period.

#### Equipment grants

It is the policy of ETC to expense granted equipment and furniture F.O.B. ETC.

#### Development grants

It is the policy of ETC to expense grants for development as they are paid out.

### 10. Government of Canada - CLE Grant

ETC, together with other parties, has entered into an agreement with the Department of Communications Canada and the Council of Ministers of Education, Canada to develop educational courseware. ETC has agreed to undertake the Collaborative Learning Environment Software Development portion of the overall project. ETC's share of the maximum approved funding is \$56,000 for 1993 and \$33,333 for 1994.

### 11. Dial port and registration fees

It is the policy of ETC to amortize prepaid funds into revenue over the life of the dial port access. It is the policy of ETC to amortize consortium registration fees over period of registration.

### 12. Contingency reserve

During the year, the reserve for general contingencies was reduced from \$300,000 to \$200,000.

### 13. Comparative figures

Certain 1992 figures have been reclassified to conform with the 1993 presentation.

# The Education Technology Centre of British Columbia

## Schedule of Purchased and Donated Fixed Assets

March 31, 1993

Schedule 1

### Fixed assets

During the year, The Education Technology Centre of British Columbia acquired and expensed fixed assets as follows:

#### Purchased

Data and word processing hardware and software	\$ 204,553
Office furniture and equipment	839
Reference library	5,119
	<u>\$ 210,511</u>

#### Donations other than fixed assets

Telecommunications (B.C.S.C.)	<u>\$ 18,470</u>
-------------------------------	------------------

**W.L.C. Developments Ltd.**

Auditor General of British Columbia

**AUDITOR'S REPORT**8 Bastion Square  
Victoria, British Columbia  
V8V 1X4(604) 387-6803  
Fax (604) 387-1230*To the Shareholder of W.L.C. Developments Ltd.:*

I have audited the balance sheet of W.L.C. Developments Ltd. as at March 31, 1993 and the statements of earnings and deficit and changes in financial position for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles. As required by the *Company Act* of British Columbia, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

A handwritten signature in dark ink, appearing to read "George L. Morfitt".

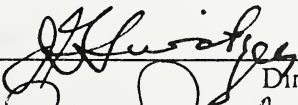
George L. Morfitt, FCA  
Auditor GeneralVictoria, British Columbia  
June 3, 1993

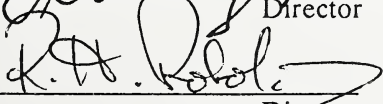
**W.L.C. DEVELOPMENTS LTD.**  
**BALANCE SHEET**  
**AS AT MARCH 31, 1993**

	<u>1993</u>	<u>1992</u>
<b>ASSETS</b>		
Cash	\$ 39,626	\$ 67,520
Short-term deposits	807,458	2,120,725
Accounts receivable	21,180	49,675
Property held for sale (Note 3)	21,230,952	22,654,062
Furniture and equipment	-	725
Deferred marketing costs	<u>140,863</u>	<u>211,291</u>
	<u>\$22,240,079</u>	<u>\$25,103,998</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 103,853	\$ 694,016
Term loans	<u>-</u>	<u>6,188,181</u>
	<u>103,853</u>	<u>6,882,197</u>
<b>SHAREHOLDER'S EQUITY</b>		
Share capital		
Authorized -		
10,000 common shares without par value		
Issued - 1 common share	1	1
Contributed surplus	24,685,385	24,685,385
Deficit	<u>(2,549,160)</u>	<u>(6,463,585)</u>
	<u>22,136,226</u>	<u>18,221,801</u>
	<u>\$22,240,079</u>	<u>\$25,103,998</u>

**COMMITMENTS (Note 4)**

**APPROVED BY THE BOARD:**

  
 Director

  
 Director

**W.L.C. DEVELOPMENTS LTD.**  
**STATEMENT OF EARNINGS AND DEFICIT**  
**FOR THE YEAR ENDED MARCH 31, 1993**

	<u>1993</u>	<u>1992</u>
REVENUES		
Land and project sales	\$ 7,034,764	\$ 3,774,819
Interest	90,457	63,314
Other	<u>42</u>	<u>10</u>
	<u>7,125,263</u>	<u>3,838,143</u>
EXPENSES		
Cost of land sales	2,858,813	1,613,594
Professional services	117,309	71,753
Marketing	102,759	71,570
Administration	35,806	51,128
Taxes and licences	-	750,000
Bad debts	-	152
Depreciation	<u>725</u>	<u>960</u>
	<u>3,115,412</u>	<u>2,559,157</u>
EARNINGS FOR THE YEAR	4,009,851	1,278,986
LOSS ON LAND TRANSFER (Note 5)	<u>(95,426)</u>	<u>-</u>
	3,914,425	1,278,896
DEFICIT - BEGINNING OF YEAR	<u>(6,463,585)</u>	<u>(7,742,571)</u>
DEFICIT - END OF YEAR	\$ <u>(2,549,160)</u>	\$ <u>(6,463,585)</u>

**W.L.C. DEVELOPMENTS LTD.**  
**STATEMENT OF CHANGES IN FINANCIAL POSITION**  
**FOR THE YEAR ENDED MARCH 31, 1993**

	<u>1993</u>	<u>1992</u>
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Earnings for the year	\$ 4,009,851	\$ 1,278,986
Non-cash items:		
Land transferred to the Province	(95,426)	-
Depreciation	725	960
Amortization of deferred marketing costs	<u>70,428</u>	<u>70,430</u>
	3,985,578	1,350,376
Property held for sale	1,423,110	(4,630,745)
Accounts receivable	28,495	(4,935)
Deferred marketing costs	-	(281,721)
Accounts payable and accrued liabilities	<u>(590,163)</u>	<u>(3,301,345)</u>
	<u>4,847,020</u>	<u>(6,868,370)</u>
FINANCING ACTIVITIES		
Term loans	(6,188,181)	6,188,181
(DECREASE) IN CASH AND SHORT-TERM DEPOSITS	(1,341,161)	(680,189)
CASH AND SHORT-TERM DEPOSITS - BEGINNING OF THE YEAR	<u>2,188,245</u>	<u>2,868,434</u>
CASH AND SHORT-TERM DEPOSITS - END OF YEAR	<u>\$ 847,084</u>	<u>\$ 2,188,245</u>



**W.L.C. DEVELOPMENTS LTD.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1993**

**4. COMMITMENTS**

Blackcomb Skiing Enterprises Ltd. (Blackcomb) has options to purchase certain properties held for sale. The options expire in February 2014, but under certain conditions may expire in 2004, in which event Blackcomb has a right of first refusal to 2014.

**5. RELATED PARTY TRANSACTIONS**

The company uses office accommodation provided to it by the Province of British Columbia at no charge. The estimated value of benefit received in respect of office accommodation for the year was \$16,000.

The company transferred property to the Province of British Columbia. The cost of this property was \$95,426.

**6. TAXES**

As the Company is owned by the Province of British Columbia, it is not subject to federal or provincial income taxes. The Company is not exempted from Goods and Services Tax.

**W.L.C. DEVELOPMENTS LTD.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1993**

**1. THE COMPANY**

W.L.C. Developments Ltd. (the "Company") was incorporated under the *Company Act* of British Columbia on January 5, 1983, and is wholly-owned by the Province of British Columbia.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Property Held for Sale**

Land and improvements are recorded at the lower of cost and estimated net realizable value. The Company capitalizes all direct acquisition, construction, and development costs relating to land and improvements, and the applicable portion of general and administrative expenses and financing costs.

**(b) Accounting for Land Sales**

Revenue from land sales is recognized when all material requirements related to the transaction have been met and cash or appropriate security equal to at least 10% of the total proceeds has been received. The cost of land sold is determined on an estimated revenue basis for developed land, and on an acreage basis for undeveloped land.

**(c) Deferred Marketing Costs**

The initial marketing costs for the Village North project have been deferred and are being amortized on a straight-line basis over four years.

**(d) Depreciation**

Depreciation of furniture and equipment is provided on a straight-line basis over three years.

**3. PROPERTY HELD FOR SALE**

Financing and general and administrative costs capitalized during the year were \$390,686 (1992 - \$199,970) and \$87,777 (1992 - \$142,488) respectively.

**178561 B. C. Ltd.**

**178561 B.C. LTD.**  
**Balance Sheet**  
**(Prepared without Audit)**

31 March 199331 March 1992**ASSETS:****Current Assets:**

Cash	\$ 9,085	\$ 9,085
Pension Overpayment Receivable	<u>0</u>	<u>33,376</u>
	<u>\$ 9,085</u>	<u>\$ 42,461</u>

**LIABILITIES:****CURRENT LIABILITIES:**

Accounts Payable and Accrued Liabilities	\$ 1,116	\$ 0
	<u>\$ 1,116</u>	<u>\$ 0</u>

**SHAREHOLDER'S EQUITY****SHARE CAPITAL:****AUTHORIZED -**

10,000 common shares  
of \$1 par value

**ISSUED -**

2 common shares

**CONTRIBUTED SURPLUS**

**CONTRIBUTION TO THE PROVINCE  
OF BRITISH COLUMBIA**

**DEFICIT**

\$ 2	\$ 2
2,491,366	2,491,366
(1,225,000)	(1,225,000)
<u>(1,258,399)</u>	<u>(1,223,907)</u>
<u>\$ 7,969</u>	<u>\$ 42,461</u>
<u>\$ 9,085</u>	<u>\$ 42,461</u>



\_\_\_\_\_  
President

178561 B.C. LTD.  
Statement of Operations and Deficit  
(Prepared without Audit)

	<u>Year Ended 31 March</u>	
	<u>1993</u>	<u>1992</u>
REVENUE:	<u>\$ 0</u>	<u>\$ 0</u>
EXPENSES:		
Professional Fees	\$ 1,116	\$ 0
Other Operating Expenses	<u>33,376</u>	<u>0</u>
	<u>\$ 34,492</u>	<u>\$ 0</u>
INCOME (LOSS FOR YEAR)	\$ (34,492)	\$ 0
DEFICIT, BEGINNING OF YEAR	<u>(1,223,907)</u>	<u>(1,223,907)</u>
DEFICIT, END OF YEAR	<u><u>\$(1,258,399)</u></u>	<u><u>\$(1,223,907)</u></u>

**178561 B.C. LTD.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 March 1993**

**1. SUBSEQUENT EVENTS**

178561 B.C. Ltd. was struck off the Register of Companies on 11 June 1993. A final invoice for legal services (\$319.62) was paid and the balance of the funds (\$7,648.99) was deposited to the Consolidated Revenue Fund.

# Trust Funds Financial Statements

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## Summary of the Financial Position of Trust Funds Held and Administered (Unaudited)

	(In Thousands)			Previous Year Fund Balances
	Balance Sheet		Fund Balances	
	Assets	Liabilities		
	\$	\$	\$	\$

### Superannuation, Pension and Long-Term Disability Funds

Public Service Superannuation Fund <sup>2,5</sup>	5,286,541	11,631	5,274,910	4,601,926
Members of the Legislative Assembly Superannuation Account <sup>2</sup>	1,682	28	1,654	973
Municipal Superannuation Fund <sup>2</sup>	5,804,743	6,774	5,797,969	5,163,676
Teachers' Pension Fund <sup>2</sup>	4,064,809	15,089	4,049,720	3,792,922
College Pension Fund <sup>2</sup>	406,616	1,518	405,098	341,244
B.C. Rail Ltd. Pension Fund <sup>2</sup>	283,586	126	283,460	270,361
British Columbia Hydro and Power Authority Pension Fund <sup>2</sup>	977,440	1,737	975,703	954,366
Long Term Disability Fund	99,652	1,611	98,041	86,557
	<b>16,925,069</b>	<b>38,514</b>	<b>16,886,555</b>	<b>15,212,025</b>

### Sinking Funds<sup>3</sup>

British Columbia Building Corporation	130,419		130,419	109,803
British Columbia Educational Institutions Capital Financing Authority	202,610	27	202,583	168,258
British Columbia Hydro and Power Authority <sup>5</sup>	1,625,839		1,625,839	1,818,396
British Columbia Regional Hospital Districts Financing Authority <sup>5</sup>	426,288	45	426,243	389,243
British Columbia School Districts Capital Financing Authority <sup>5</sup>	536,669	2,721	533,948	569,252
Greater Vancouver Sewage and Drainage District	6,045	2	6,043	8,587
Province of British Columbia	906,129	14,688	891,441	541,078
Province of British Columbia—Fiscal Agency borrowings	316,923	31	316,892	232,076
Other <sup>5</sup>	41,269	2	41,267	36,038
	<b>4,192,191</b>	<b>17,516</b>	<b>4,174,675</b>	<b>3,872,731</b>

### Defeased Trust Funds<sup>3,4,5</sup>

British Columbia Hydro and Power Authority Certified	215,015	4,131	210,884	252,115
British Columbia Hydro and Power Authority Defeased U.S.	372,709	48,996	323,713	331,049
British Columbia Railway Company	514,436	12,191	502,245	580,339
British Columbia Railway Company U.S.	18,667	609	18,058	16,990
British Columbia Improvement District Certified	1,830	61	1,769	2,815
British Columbia Regional Hospital Districts Financing Authority Certified	124,315	191	124,124	111,540
British Columbia School Districts Capital Financing Authority Certified	300,149	3,805	296,344	252,731
	<b>1,547,121</b>	<b>69,984</b>	<b>1,477,137</b>	<b>1,547,579</b>

### Investment Funds of Crown Corporations and Agencies<sup>3</sup>

British Columbia Enterprise Corporation Trust	98		98	98
British Columbia Trade Development	4,332	1	4,331	5,781
British Columbia Ferry Corporation Trust	7,567		7,567	19,210
British Columbia Health Care Research Foundation	15,781	5	15,776	17,035
British Columbia Mental Health	6,691		6,691	2,164
British Columbia Heritage Trust	2,193		2,193	3,228
British Columbia Housing and Employment Development Financing Authority Trust				1,738
British Columbia Hydro and Power Authority Trust <sup>5</sup>	59,097		59,097	129,176
British Columbia Lottery Corporation Trust <sup>5</sup>	44,611		44,611	47,642
B.C. Steamship Trust	2,087		2,087	2,493
British Columbia Railway Company Trust	11,603		11,603	30,695
British Columbia Transit Trust	39,436		39,436	44,928

Summary of the Financial Position of Trust Funds  
Held and Administered—Continued  
(Unaudited)

	(In Thousands)			Previous Year Fund Balances
	Balance Sheet <sup>1</sup>		Fund Balances	
	Assets	Liabilities		
	\$	\$	\$	\$
<b>Investment Funds of Crown Corporations and Agencies<sup>3</sup>—Continued</b>				
Crown Counsel Trust .....	3,084	2	3,082	2,798
Provincial Capital Commission .....	3,787		3,787	4,119
Commonwealth Games Society <sup>5</sup> .....	39,550	9	39,541	22,528
Downtown Revitalization .....	5,176		5,176	7,738
Credit Union Deposit Insurance Corporation of British Columbia .....	96,148	5,430	90,718	104,012
British Columbia Systems Corporation Trust .....	11,560		11,560	9,078
Other <sup>5</sup> .....	27,681	8	27,673	13,477
	<b>380,482</b>	<b>5,455</b>	<b>375,027</b>	<b>467,938</b>
Workers' Compensation Board of British Columbia <sup>3,5</sup> .....	<b>4,161,742</b>	<b>29,670</b>	<b>4,132,072</b>	<b>3,931,535</b>
<b>Other Trust Funds<sup>3</sup></b>				
Public Trustee and Official Administrators .....	417,444	6,431	411,013	387,425
Crop Insurance Fund .....	11,991	13,763	(1,772)	(5,654)
Land Registry Assurance Fund .....	996		996	989
Supreme and County Court Rules .....	100,539		100,539	95,394
Other Trust Deposits .....	81,581		81,581	65,601
	<b>612,551</b>	<b>20,194</b>	<b>592,357</b>	<b>543,755</b>
	<b>27,819,156</b>	<b>181,333</b>	<b>27,637,823</b>	<b>25,575,563</b>

<sup>1</sup>Totals are shown only to give the reader an idea of the size and scope of the trust funds held and administered by the province on a collective basis.

<sup>2</sup>The figures for the superannuation and pension funds are taken from the latest audited financial statements included in this section, which do not all have the same fiscal year end.

<sup>3</sup>The figures for these funds are mainly taken from the records of the province as at March 31, 1993, and therefore may differ from the figures in the financial statements of the applicable Crown Corporations and Agencies contained in Section E.

<sup>4</sup>Deceased Trust Funds of \$1,477,138,055 (1992: \$1,547,579,039) represent investments set aside to repay outstanding term debts with a par value of \$1,493,004,976 (1992: \$1,603,363,094) and related interest payments. Accrued interest payable on term debts at March 31, 1993 totals \$40,380,329 (1992: \$39,194,904). These deceased debts have been removed from the balance sheet of government organizations and enterprises and are considered extinguished for financial reporting purposes.

<sup>5</sup>Some balances from the previous year have been restated to reflect the changed presentation or more current information.

# British Columbia Hydro and Power Authority Pension Plan



Auditor General of British Columbia

8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

(604) 387-6803  
Fax (604) 387-1230

## AUDITOR'S REPORT

*To the Superannuation Commissioner, Trustee:*

I have audited the statement of net assets available for benefits of the British Columbia Hydro and Power Authority Pension Plan as at December 31, 1992 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Superannuation Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 1992 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

A handwritten signature in dark ink, reading "George L. Morfitt".

George L. Morfitt, FCA  
Auditor General

Victoria, British Columbia  
June 22, 1993



Province of  
British Columbia

OFFICE OF THE  
COMMISSIONER

Superannuation  
Commission

548 Michigan Street  
Victoria  
British Columbia  
V8V 4R5  
Telephone: (604) 387-1002  
Facsimile: (604) 387-4199

IN REPLY REFER TO .....

## B.C. HYDRO AND POWER AUTHORITY PENSION PLAN

### ADMINISTRATOR'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the B.C. Hydro and Power Authority Pension Plan were prepared by the management of the Superannuation Commission, which is responsible for the integrity and fairness of the data presented, including significant accounting judgements and estimates. This responsibility includes selecting appropriate accounting principles consistent with generally accepted accounting principles in Canada. Other financial information contained in the Annual Report for the Plan conforms to these financial statements.

In discharging its responsibility for the integrity and fairness of the financial statements, the Superannuation Commission maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded.

The firm of William M. Mercer Limited has been appointed independent consulting actuaries to the Plan. Their role is to complete an actuarial valuation of the obligations for pension benefits which are included in the financial statements of the Plan, in accordance with generally accepted actuarial principles.

The Auditor General of British Columbia has performed an independent audit of the financial statements of the Plan in accordance with generally accepted auditing standards. His Auditor's Report outlines the scope of this independent audit and the opinion expressed.

A handwritten signature in dark ink, reading 'John W. Cook', written over a horizontal line.

JOHN W. COOK, F.C.I.A.,  
Superannuation Commissioner, Trustee

A handwritten signature in dark ink, reading 'P. Louise Young', written over a horizontal line.

P. LOUISE YOUNG, C.A.,  
Director, Finance  
Superannuation Commission

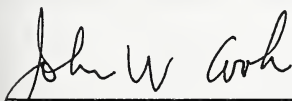
June 22, 1993

**B.C. HYDRO AND POWER AUTHORITY PENSION PLAN**  
**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**  
*(\$ Thousands)*

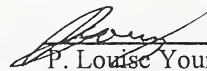
December 31	1992	1991
<b>ASSETS</b>		
Investments (Note 3)	\$965,059	\$946,645
Receivables		
Members' contributions	788	492
Employer's contributions	966	647
Accrued investment income	8,052	7,578
	9,806	8,717
Cash	2,575	366
<b>Total Assets</b>	<b>977,440</b>	<b>955,728</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	1,737	1,362
<b>Total Liabilities</b>	<b>1,737</b>	<b>1,362</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>\$975,703</b>	<b>\$954,366</b>

Obligations for Pension Benefits (Note 8)

The twelve accompanying notes are an integral part of these financial statements.



John W. Cook, F.C.I.A.  
 Superannuation Commissioner  
 Trustee



P. Louise Young, C.A.  
 Director, Finance  
 Superannuation Commission



**B.C. HYDRO AND POWER AUTHORITY PENSION PLAN**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
*(\$ Thousands)*

For the year ended December 31	Basic Account	Index Reserve Account	Totals	
			1992	1991
INCREASE IN ASSETS				
Net investment income (Note 4)	\$53,984	\$7,343	\$61,327	\$75,440
Current change in market value	(13,711)	-	(13,711)	48,213
	40,273	7,343	47,616	123,653
Contributions (Note 9)				
Members'				
Current service	11,305	2,402	13,707	11,633
Reinstatement and arrears	281	29	310	267
	11,586	2,431	14,017	11,900
Employer	15,486	2,402	17,888	15,138
B.C. Transit indexing receipts (Note 5)	713	-	713	656
Transfers from other plans	-	-	-	113
Total Increase in Assets	68,058	12,176	80,234	151,460
DECREASE IN ASSETS				
Pension benefits paid				
Contributory	38,327	-	38,327	38,205
Indexing supplements	17,698	-	17,698	15,518
	56,025	-	56,025	53,723
Refunds of contributions	1,572	225	1,797	2,139
Privatization option (Note 6)	510	97	607	6,397
Administration costs (Note 10)	468	-	468	461
Total Decrease in Assets	58,575	322	58,897	62,720
INCREASE IN NET ASSETS BEFORE TRANSFERS	9,483	11,854	21,337	88,740
Account transfers (Note 7)	(1,187)	1,187	-	-
INCREASE IN NET ASSETS	8,296	13,041	21,337	88,740
NET ASSETS AVAILABLE FOR BENEFITS				
AT BEGINNING OF YEAR	876,227	78,139	954,366	865,626
NET ASSETS AVAILABLE FOR BENEFITS				
AT END OF YEAR	\$884,523	\$91,180	\$975,703	\$954,366

**B.C. HYDRO AND POWER AUTHORITY PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

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**1. DESCRIPTION OF THE B.C HYDRO AND POWER AUTHORITY  
PENSION PLAN**

The following brief description of the Plan is provided for general information only. For more information, reference should be made to the Plan document.

**a) General**

The Plan is a contributory defined benefit pension plan open to all regular employees of the British Columbia Hydro and Power Authority (B.C. Hydro).

**b) Pension Benefits**

Members who are at least age 50, have at least 10 years of service and the sum of their age and service is at least 65, may elect to receive an immediate pension, or to delay receiving a pension. Delayed pensions may start any time after age 55, subject to reductions of 5% per year for service and age shortfalls. Members who are age 60, or 55 with a minimum of 35 years of service, are eligible for an immediate, unreduced pension.

The Plan provides a pension of 2% of the best five year average Plan earnings of a member for each year of contributory service up to a maximum of 35 years.

Increases in the index pension payments are provided each January 1st and are related to the annual increase in the Consumer Price Index (CPI) as at the previous September 30th. These increases will be limited to a lesser amount if the funds in the Index Reserve Account are insufficient to provide the full amount of the increase in the CPI. As there were sufficient funds available at January 1, 1992, a full CPI increase of 5.408% (1991- 4.250%) to the basic lifetime portion of the pension payments in force was provided. Sufficient funds are also available to provide a full CPI increase of 1.263% effective January 1, 1993.

**c) Termination and Portability Benefits**

Benefits from the Plan will depend on the members' age and service.

i) Terminating members with at least 5 years service may elect to:

- receive a refund of personal contributions with interest;
- transfer 1.5 times their personal contributions with interest or the value of the pension, whichever is greater, to a Locked-in Registered Retirement Savings Plan or another employer's pension plan; or

**B.C. HYDRO AND POWER AUTHORITY PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

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**1. DESCRIPTION OF THE B.C HYDRO AND POWER AUTHORITY  
PENSION PLAN (continued)**

**c) Termination and Portability Benefits (continued)**

- leave their contributions with interest in the Plan and receive a deferred pension beginning at any time after age 55.

Delayed or deferred pensions will be increased by any cost of living adjustments that were applied from the year of termination.

- ii) Terminating members with less than 5 years of service, and under age 60, will receive a refund of personal contributions with interest with the following options:
- receive the refund in cash;
  - transfer the refund to a personal RRSP; or
  - leave the contributions in the Plan for a maximum of 3 years.

**d) Other Benefits**

Disability and survivor benefits are available under the Plan.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Presentation**

These financial statements have been prepared on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity, independent of the Plan's contributing employers and members.

**b) Investments**

Investments are stated at market value. Market value for units is calculated by the Provincial Treasury, Ministry of Finance and Corporate Relations of British Columbia, and is based on the market value of the net assets of the relevant portfolio, divided by the total number of units outstanding. The market value of net assets for each portfolio is derived from external quotations or appraisals. Investment purchases and sales are recorded on trade date.

**B.C. HYDRO AND POWER AUTHORITY PENSION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1992**

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**3. INVESTMENTS**

	Market Value	
	1992	1991
	(\$ Thousands)	
Units in Province of British Columbia		
Pooled Investment Portfolios		
Money Market Pools	\$204,057	\$335,566
Canadian Equity Pools	271,184	232,071
International Equity Pools	126,409	84,355
Canadian Bond Pools	53,276	10,471
	<u>654,926</u>	<u>662,463</u>
Bonds	309,037	281,292
Mortgages	-	8
Equities	<u>1,096</u>	<u>2,882</u>
	<u>\$965,059</u>	<u>\$946,645</u>

Bonds held consist of debentures issued or guaranteed by federal, provincial or municipal governments, with terms of one year or more.

Units are held in several Province of British Columbia Pooled Investment Portfolios managed by the Provincial Treasury. Each unit gives its holder a proportionate share in the net equity of the portfolio. The money market pools invest mainly in Canadian money market securities, such as treasury bills, with terms of one year or less. The equity pools invest primarily in publicly traded shares and the bond pools in Canadian government and corporate bonds.

**B.C. HYDRO AND POWER AUTHORITY PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

**4. INVESTMENT INCOME**

	1992	1991
	<i>(\$ Thousands)</i>	
Unit Income		
Money Market Pools	\$18,818	\$29,848
Canadian Equity Pools	8,661	8,035
International Equity Pools	3,522	1,146
Canadian Bond Pools	2,918	142
	<u>33,919</u>	<u>39,171</u>
Bonds	<u>28,105</u>	<u>37,053</u>
	62,024	76,224
Investment management fees	(697)	(784)
Net investment income	<u>\$61,327</u>	<u>\$75,440</u>

Income from each unit pool is calculated by Provincial Treasury and reinvested within the pool.

**5. BRITISH COLUMBIA TRANSIT INDEXING RECEIPTS**

Urban passenger transportation services were transferred from B.C. Hydro to British Columbia Transit (formerly Metro Transit Operating Company) as of April 1, 1980. As part of the transfer arrangement, British Columbia Transit reimburses the Plan for the cost of indexing supplements made from the Plan to former urban passenger transportation services contributors granted pensions after the transfer.

**6. PRIVATIZATIONS**

As a result of the sale by B.C. Hydro of its gas and rail businesses (1988), and Westech Information Systems (1991), certain pension options were made available to employees who were transferred from B.C. Hydro.

During the year, payments relating to these options amounted to \$606,965 (1991 - \$6,397,155). In addition to these pension options, the privatized employees were allowed to continue contributing to the Plan for a period of approximately one year subsequent to the effective dates of transfer.



**B.C. HYDRO AND POWER AUTHORITY PENSION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1992**

**7. ACCOUNT TRANSFERS**

	1992		1991	
	Basic Account	Index Reserve Account	Basic Account	Index Reserve Account
	(\$ Thousands)			
Present value of current indexing supplements	\$ 7,089	\$(7,089)	\$22,343	\$(22,343)
Excess interest	(8,276)	8,276	(11,170)	11,170
	<u>\$(1,187)</u>	<u>\$1,187</u>	<u>\$11,173</u>	<u>\$(11,173)</u>

A separate account is maintained for funding current and future indexing supplements. This Index Reserve Account is funded through a portion of ongoing contributions from employers and members (Note 9), from investment income earned on its own assets, and from excess interest earned in the Basic Account.

Excess interest is defined as investment income earned on Basic Account assets in respect of pensions being paid, and that is in excess of the rate of return used by the actuary in valuing the Plan's liabilities. Excess interest is transferred annually from the Basic Account to the Index Reserve Account.

All pension payments are made from the Basic Account and each year, as indexing supplements are made to members' pension payments, monies are transferred from the Index Reserve Account to the Basic Account to cover the present value of all future payments arising from the current indexing supplements.

**8. OBLIGATIONS FOR PENSION BENEFITS**

**a) Accrued Pension Benefits**

The present value of accrued basic pension benefits was determined using the projected benefit method prorated on service. Accrued basic pension benefits include all indexing granted to the date of valuation, but not future indexing. An actuarial valuation was made as of December 31, 1991 by William M. Mercer Limited, a firm of consulting actuaries, and was then extrapolated to December 31, 1992, using best estimate assumptions.



**B.C. HYDRO AND POWER AUTHORITY PENSION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1992**

**8. OBLIGATIONS FOR PENSION BENEFITS (continued)**

**a) Accrued Pension Benefits (continued)**

The present value of basic accrued pension benefits, and the main changes in the present value of benefits, were as follows:

	December 31 1992	December 31 1991
	(\$ Thousands)	
Actuarial present value of accrued pension benefits at beginning of the year	\$909,100	\$861,200
Changes in actuarial assumptions	-	-
Experience gains and losses	-	4,600
Interest accrued on benefits	65,900	62,500
Benefits accrued	40,400	37,600
Benefits paid	(58,400)	(56,800)
Benefit improvements	-	-
Actuarial present value of accrued pension benefits at end of year	<u>\$957,000</u>	<u>\$909,100</u>

The assumptions used in determining the actuarial value of accrued pension benefits were developed by reference to expected long-term market conditions. Significant long-term assumptions used in the actuarial valuation and the extrapolation were:

	1992	1991
Asset rate of return	7.5%	7.5%
Salary escalation rate	5.5%	5.5%

The foregoing does not reflect the impact, if any, of favourable or unfavourable actuarial experience during the 1992 calendar year that may differ from demographic or salary increase assumptions used for actuarial valuation purposes.

**b) Assets**

The actuarial value of net assets available for benefits is based on a five year averaging method (consistent with assumptions underlying the valuation of the accrued pension benefits). Under this method the value used in the valuation of Canadian and foreign equities is equal to the market value, adjusted according to the relative position of the asset class index value at the valuation date, compared to its 5-year trend.

The value for the bonds is equal to its market value, adjusted according to the relative position of the Scotia McLeod Universe bond index's value at the valuation date, compared to its 5-year average value.

**B.C. HYDRO AND POWER AUTHORITY PENSION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1992**

**8. OBLIGATIONS FOR PENSION BENEFITS (continued)**

**b) Assets (continued)**

The actuarial values of net assets used in the valuation were:

	December 31 1992	December 31 1991
	<i>(\$ Thousands)</i>	
Market value of net assets available for benefits	\$975,703	\$954,366
Market value changes not reflected in actuarial value of net assets	(16,903)	(21,766)
Actuarial value of net assets available for benefits	958,800	932,600
Present value of future indexing recoverable from B.C. Transit	4,400	4,800
Total Assets	<u>\$963,200</u>	<u>\$937,400</u>

**c) Surplus**

The actuarial valuation of accrued basic pension benefits and assets as at December 31, 1991 indicated a \$28,300,000 surplus. Extrapolations to December 31, 1992 project the surplus to have decreased to \$6,200,000.

**9. FUNDING POLICY**

**a) Contributions**

Effective October 1, 1990 B.C. Hydro increased its contributions to 7.05% from 5.15% of the members' plan earnings. Members contribute at 5.15% of the members' plan earnings. Each also contributes 1.10% of members' plan earnings to the Index Reserve Account to provide for index pension payments.

**b) Actuarial Valuation for Funding Purposes**

An actuarial valuation is undertaken to determine the employee and employer contribution rates. These rates are calculated using an accrued benefit funding method.

**B.C. HYDRO AND POWER AUTHORITY PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

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**9. FUNDING POLICY (continued)**

**b) Actuarial Valuation for Funding Purposes (continued)**

The most recent actuarial valuation for funding purposes was prepared as at December 31, 1991 by William M. Mercer Limited. The valuation disclosed a funding excess of \$28,300,000 compared to \$17,500,000 as at December 31, 1990, the date of the previous valuation.

**10. RELATED PARTY TRANSACTIONS**

**a) Administration Costs**

General administration costs incurred by the Superannuation Commission are prorated and charged to each pension plan under its administration based primarily on the relative numbers of members in each plan, as well as taking into account the nature and extent of services provided. General administration costs include all salaries and other operating and administration costs, including furniture and equipment purchases, and computer systems development costs which are expensed as they are incurred.

**b) Investments**

The Minister of Finance and Corporate Relations of British Columbia manages investments on behalf of the Plan. This is done through the Provincial Treasury, which allocates and charges costs to the Plan.

**11. PENSION BENEFITS STANDARDS ACT**

On January 1, 1993, the *Pension Benefits Standards Act* (PBSA) comes into effect. The legislation alters the B.C. Hydro and Power Authority Pension Plan only in those areas where the plan currently falls short of the new standards.

The legislation has no significant effect on the obligation for accrued pension benefits as calculated to December 31, 1992 (see Note 8).

**12. RECLASSIFICATION**

Certain prior year's amounts have been reclassified to be consistent with current year's presentation.

**BC Rail Ltd. Pension Plan**

Auditor General of British Columbia

**AUDITOR'S REPORT**

8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

(604) 387-6803  
Fax (604) 387-1230

*To the Directors, BC Rail Ltd., and*

*To the Superannuation Commissioner, Trustee:*

I have audited the statement of net assets available for benefits of the BC Rail Ltd. Pension Plan as at December 31, 1992 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Superannuation Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 1992 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

A handwritten signature in dark ink, reading "George L. Morfitt".

George L. Morfitt, FCA  
Auditor General

*Victoria, British Columbia  
June 7, 1993*



Province of  
British Columbia

Superannuation  
Commission

OFFICE OF THE  
COMMISSIONER

548 Michigan Street  
Victoria  
British Columbia  
V8V 4R5  
Telephone: (604) 387-1002  
Facsimile: (604) 387-4199

IN REPLY REFER TO.....

## BC RAIL LTD. PENSION PLAN

### ADMINISTRATOR'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the BC Rail Ltd. Pension Plan were prepared by the management of the Superannuation Commission, which is responsible for the integrity and fairness of the data presented, including significant accounting judgements and estimates. This responsibility includes selecting appropriate accounting principles consistent with generally accepted accounting principles in Canada. Other financial information contained in the Annual Report for the Plan conforms to these financial statements.

In discharging its responsibility for the integrity and fairness of the financial statements, the Superannuation Commission maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded.

The firm of William M. Mercer Limited has been appointed independent consulting actuaries to the Plan. Their role is to complete an actuarial valuation of the obligations for pension benefits which are included in the financial statements of the Plan, in accordance with generally accepted actuarial principles.

The Auditor General of British Columbia has performed an independent audit of the financial statements of the Plan in accordance with generally accepted auditing standards. His Auditor's Report outlines the scope of this independent audit and the opinion expressed.

A handwritten signature in cursive script, reading "John W. Cook".

JOHN W. COOK, F.C.I.A.,  
Superannuation Commissioner, Trustee

A handwritten signature in cursive script, reading "P. Louise Young".

P. LOUISE YOUNG, C.A.,  
Director, Finance  
Superannuation Commission

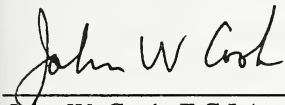
June 7, 1993



**BC RAIL LTD. PENSION PLAN**  
**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**  
*(\$ Thousands)*

December 31	1992	1991
<b>ASSETS</b>		
Investments (Note 3)	\$280,095	\$267,013
Receivables		
Members' contributions	633	499
Employer's contributions	678	543
Accrued investment income	2,083	2,369
	<u>3,394</u>	<u>3,411</u>
Cash	97	82
Total Assets	283,586	270,506
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	126	101
Due to investment dealers (net)	-	44
Total Liabilities	126	145
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>\$283,460</b>	<b>\$270,361</b>

The nine accompanying notes are an integral part of these financial statements.



John W. Cook, F.C.I.A.  
 Superannuation Commissioner  
 Trustee



P. Louise Young, C.A.  
 Director, Finance  
 Superannuation Commission



**BC RAIL LTD. PENSION PLAN**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
*(\$ Thousands)*

For the years ended December 31	1992	1991
<b>INCREASE IN ASSETS</b>		
Investment Income		
Income (Note 4)	\$ 16,644	\$ 19,587
Current period change in market value	(7,196)	17,330
	<u>9,448</u>	<u>36,917</u>
Contributions (Note 6)		
Members'		
Current service	5,688	3,427
Past service	77	16
Voluntary	15	28
	<u>5,780</u>	<u>3,471</u>
Employer's		
Current service	5,688	3,427
Past service	34	11
	<u>5,722</u>	<u>3,438</u>
<b>Total Increase in Assets</b>	<u>20,950</u>	<u>43,826</u>
<b>DECREASE IN ASSETS</b>		
Pension Benefits Paid	6,703	5,683
Refunds of Contributions	1,028	1,222
Investment Management Fees (Note 8)	120	119
<b>Total Decrease in Assets</b>	<u>7,851</u>	<u>7,024</u>
<b>INCREASE IN NET ASSETS</b>	<u>13,099</u>	<u>36,802</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>		
<b>AT BEGINNING OF YEAR</b>	<u>270,361</u>	<u>233,559</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>		
<b>AT END OF YEAR</b>	<u>\$283,460</u>	<u>\$270,361</u>

**BC RAIL LTD. PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

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**1. DESCRIPTION OF THE BC RAIL LTD. PENSION PLAN**

The following brief description of the Plan is provided for general information only. For more information, reference should be made to the Plan document.

**a) General**

The Plan is a contributory defined benefit pension plan. All eligible employees are required to enroll.

**b) Pension Benefits**

Members are eligible for unreduced pension benefits:

- at age 65;
- at age 60, with at least 25 years of pensionable service; or
- at age 55, with at least 30 years of pensionable service.

All other retiring members have a reduction formula applied to their pensions.

A member retiring on an unreduced pension receives an annual lifetime pension of 2% of the member's best 5-year average earnings multiplied by years of pensionable service, up to a maximum of 35 years or 70% of the member's best 5-year average earnings. At age 65, or date of death, if earlier, there is a reduction in the formula as a result of integration with the Canada Pension Plan.

Increases to pension payments are provided each January 1st in accordance with the excess interest indexing provisions of the Plan. These increases relate to the rates of return of the Plan and the annual increase in the Consumer Price Index (CPI) as at the previous September 30th.

At January 1, 1992, pensioners received a full CPI increase of 5.4% (1991 - 4.2%). A full CPI increase of 1.3% will be provided at January 1, 1993. In addition, at January 1, 1992, there was an ad-hoc increase to the pensions of retirees, beneficiaries of deceased retirees, and widows, if their pensions were granted before 1982. This increase varied from 3% to 15%, depending on the year in which the pension was first granted, and related to increases in the CPI before the introduction of excess-interest indexing in 1982. The minimum increase for those retirees who had completed ten or more years of pensionable service before retirement, or for their beneficiaries or widows, was \$100 per month. The actuarial value of these ad-hoc increases was \$1.4 million, and was included in the actuarial present value of benefits as at December 31, 1991 (Note 5).

An "indexing reserve" was established effective January 1, 1990. This reserve is increased in years when the Plan's excess returns are more than that required to provide full inflation

**BC RAIL LTD. PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

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**1. DESCRIPTION OF THE BC RAIL LTD. PENSION PLAN (continued)**

adjustments, or decreased to "top up" the amount available for indexing in years when the excess returns do not provide full inflation adjustments. After the application of the 1.3% indexing adjustment, the reserve at January 1, 1993 will be sufficient to pay future indexing adjustments of 14.2% (1992 - 10.2%). The actuarial valuation of this reserve as at January 1, 1993 for current pensioners is \$11,100,000 (January 1, 1992 - \$7,600,000) and is included in the obligation for pension benefits as set out in Note 5.

**c) Termination Benefits**

Terminating members who have completed five or more years of pensionable service may choose to:

- leave their contributions on deposit and receive a deferred pension;
- obtain a refund of their personal contributions with interest; or
- transfer to a locked-in RRSP an amount equal to the greater of the commuted value of their pension and 150% of their personal contributions with interest.

Terminating members with less than five years of pensionable service receive a refund of their personal contributions with interest.

**d) Pre-Retirement Death Benefits**

The beneficiary of a member who dies before retirement receives a lump-sum refund equal to two times the deceased member's contributions with interest. If the deceased member was eligible to retire immediately before his or her death, a beneficiary who is the widowed spouse of the deceased member may elect instead to receive a pension. This pension is calculated as if the member had retired and elected a 60% joint and last survivor pension.

**e) Post-Retirement Death Benefits**

There are no post-retirement death benefits available under the Plan unless a member elects at retirement to receive an optional form of pension. The options available are:

- a pension guaranteed for five, ten or fifteen years; or
- a pension which continues in full, or in one-half the full amount, to the pensioner's beneficiary in the event of the pensioner's death.

The amount of the initial optional pension is an actuarial equivalent of the normal form of pension described in (b) above.

**BC RAIL LTD. PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

**1. DESCRIPTION OF THE BC RAIL LTD. PENSION PLAN (continued)**

**f) Income Taxes**

The Plan is a Registered Pension Plan as defined in the Income Tax Act (Canada) and is not subject to income taxes.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Presentation**

These financial statements have been prepared on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity, independent of the Plan's contributing employer and members.

**b) Investments**

Investments are shown at market value. Market value for units is calculated by the Provincial Treasury, Ministry of Finance and Corporate Relations of British Columbia, and is based on the market value of the net assets of the relevant portfolio, divided by the total number of units outstanding. The market value of net assets for each portfolio is derived from external quotations or appraisals. Investment purchases and sales are recorded on trade date.

**3. INVESTMENTS**

	Market Value	
	1992	1991
	(\$ Thousands)	
Bonds	\$85,538	\$95,017
Units in Province of British Columbia		
Pooled Investment Portfolios		
Money Market Pools	44,982	38,441
Canadian Equity Pools	102,242	98,545
Canadian Bond Pools	11,268	4,430
International Equity Pools	21,158	21,089
Real Estate Pool	14,907	9,491
	<u>194,557</u>	<u>171,996</u>
	<u>\$280,095</u>	<u>\$267,013</u>

Bonds held consist of debentures issued or guaranteed by federal, provincial or municipal governments, with terms of one year or more.

**BC RAIL LTD. PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

**3. INVESTMENTS (continued)**

Units are held in several Province of British Columbia Pooled Investment Portfolios managed by the Provincial Treasury. Each unit gives its holder a proportionate share in the net equity of the portfolio. The money market pools invest mainly in Canadian money market securities, such as treasury bills, with terms of one year or less. The equity pools invest primarily in publicly traded shares and the bond pools in Canadian government and corporate bonds. The real estate pool invests primarily in Western Canadian properties.

**4. INVESTMENT INCOME**

	1992	1991
	(\$ Thousands)	
Bonds	\$8,160	\$11,979
Unit Income		
Money Market Pools	3,102	3,691
Canadian Equity Pools	3,231	2,896
Canadian Bond Pools	794	121
International Equity Pools	687	652
Real Estate Pool	670	248
	<u>\$16,644</u>	<u>\$19,587</u>

Income from each unit pool is calculated by Provincial Treasury and reinvested in units of the pool.

**5. OBLIGATIONS FOR PENSION BENEFITS**

**a) Accrued Pension Benefits**

The actuarial present value of accrued basic pension benefits and the principal components of changes in the actuarial present values during the period were determined using the projected benefit method prorated on service. Actuarial valuations were made as of December 31, 1991 and December 31, 1992 by William M. Mercer Limited, consulting actuaries.



**BC RAIL LTD. PENSION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1992**

**5. OBLIGATIONS FOR PENSION BENEFITS (continued)**

**a) Accrued Pension Benefits (continued)**

The actuarial present value of benefits and the principal components of changes in the actuarial present value during the year were as follows:

	December 31 1992	December 31 1991
	(\$ Thousands)	
Actuarial present value of accrued pension benefits at beginning of the year	\$238,400	\$205,400
Changes in actuarial assumptions	3,400	-
Experience gains and losses	(1,500)	5,900
Interest accrued on benefits	19,100	16,400
Benefits accrued	12,400	12,400
Benefits paid	(7,800)	(7,000)
Benefit improvements	700	5,300
Actuarial present value of accrued pension benefits at end of year	<u>\$264,700</u>	<u>\$238,400</u>

The assumptions used in determining the actuarial value of accrued pension benefits were developed by reference to expected long-term market conditions. Significant long-term assumptions used in the valuation were:

	<u>1992</u>	<u>1991</u>
Asset rate of return	7.0%	8.0%
Salary escalation rate	5.0%	6.0%

In addition, there is a merit and promotion scale which varies by age, starting at 3.3% and declining to minus 0.7%.

**b) Assets**

The actuarial value of net assets available for benefits is based on a five year averaging method (consistent with assumptions underlying the valuation of the accrued pension benefits). Under this method the value used in the valuation of Canadian and foreign equities is equal to the market value, adjusted according to the relative position of the asset class index value at the valuation date, compared to its 5-year trend.

The value for the bonds is equal to its market value, adjusted according to the relative position of the Scotia McLeod Universe bond index's value at the valuation date, compared to its 5-year average value.



**BC RAIL LTD. PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

**5. OBLIGATIONS FOR PENSION BENEFITS (continued)**

**b) Assets (continued)**

The actuarial values of net assets used in the valuation were:

	December 31 1992	December 31 1991
	<i>(\$ Thousands)</i>	
Market value of net assets available for benefits	\$283,460	\$270,361
Market value changes not reflected in actuarial value of net assets	(3,460)	(7,461)
Actuarial value of net assets available for benefits	<u>\$280,000</u>	<u>\$262,900</u>

**6. FUNDING POLICY**

**a) Contributions**

Members contribute to the Plan 4.5% of salary up to the Canada Pension Plan earnings ceiling and 6% of salary above that ceiling. No contributions are required after completion of 35 years of pensionable service, or while the member is on an approved long term disability absence. The employer makes contributions on the recommendation of an independent actuary. However, the employer contribution each month cannot be less than the member's required contributions. Current employer contribution rates match those of members.

A contribution holiday was instituted for the period January 1, 1989 through March 31, 1990 and was subsequently extended to June 30, 1991. Members and the employer each contributed \$1 per pay period to the Plan up to March 31, 1991 and one-half contributions from April 1, 1991 to June 30, 1991. As of July 1, 1991 contributions resumed in full.

**b) Actuarial Valuation for Funding Purposes**

An actuarial valuation is undertaken to determine the employee and employer contribution rates. These rates are calculated using an accrued benefit funding method.

The most recent actuarial valuation for funding purposes was prepared as at December 31, 1992 by William M. Mercer Limited. The valuation disclosed a funding excess of \$15,300,000 compared to \$24,500,000 as at December 31, 1991, the date of the previous valuation.

**BC RAIL LTD. PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

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**7. RECLASSIFICATION**

Certain prior year's amounts have been reclassified to be consistent with current year's presentation.

**8. RELATED PARTY TRANSACTIONS**

**a) Administration Costs, Actuarial and Medical Plan Expenses**

Administration costs, actuarial and medical plan expenses are not reflected in the Statement of Changes in Net Assets Available for Benefits. Administration costs and actuarial expenses of the Plan are paid directly by the employer. For the year ended December 31, 1992 these amounted to \$227,182 (1991 - \$249,165). For ease in administration, the medical premiums for pensioners are paid from the Plan. BC Rail Ltd. then reimburses the Plan for the amount of the premiums. For the year ended December 31, 1992 premiums amounted to \$261,913 (1991 - \$224,774).

**b) Investments**

The Minister of Finance and Corporate Relations of British Columbia manages investments on behalf of the Plan. This is done through the Provincial Treasury, which charges a management fee for the service.

**9. PENSION BENEFITS STANDARDS ACT**

The Pension Benefits Standards Act (PBSA) comes into effect on January 1, 1993, and includes minimum requirements relating to credited service after that date. To comply with the legislation, certain changes are required to the BC Rail Ltd. Pension Plan. To simplify the Plan's administration, some of those changes have also been applied to service before January 1, 1993. The cost of applying these changes to pre-1993 credited service is \$700,000, as shown in Note 5.

## College Pension Plan



Auditor General of British Columbia

### AUDITOR'S REPORT

8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

(604) 387-6803  
Fax (604) 387-1230

*To the Superannuation Commissioner, and*

*To the Minister of Government Services,  
Province of British Columbia:*

I have audited the statement of net assets available for benefits of the College Pension Plan as at August 31, 1992 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Superannuation Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Plan as at August 31, 1992 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

A handwritten signature in dark ink, reading "George L. Morfitt".

George L. Morfitt, FCA  
Auditor General

Victoria, British Columbia  
February 19, 1993



Province of  
British Columbia

Superannuation  
Commission

OFFICE OF THE  
COMMISSIONER

548 Michigan Street  
Victoria  
British Columbia  
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Telephone: (604) 387-1002  
Facsimile: (604) 387-4199

IN REPLY REFER TO .....

## COLLEGE PENSION PLAN

### ADMINISTRATOR'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the College Pension Plan were prepared by the management of the Superannuation Commission, which is responsible for the integrity and fairness of the data presented, including significant accounting judgements and estimates. This responsibility includes selecting appropriate accounting principles consistent with generally accepted accounting principles in Canada. Financial information contained in the Annual Report for the Plan conforms to these financial statements.

In discharging its responsibility for the integrity and fairness of the financial statements, the Superannuation Commission maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded.

The firm of Eckler Partners Ltd. has been appointed independent consulting actuaries to the Plan. Their role is to complete an actuarial valuation of the benefit liabilities, which are included in the financial statements of the Plan, in accordance with generally accepted actuarial principles.

The Auditor General of British Columbia has performed an independent audit of the financial statements of the Plan in accordance with generally accepted auditing standards. His Auditor's Report outlines the scope of this independent audit and the opinion expressed.

JOHN W. COOK, F.C.I.A.,  
Superannuation Commissioner, Trustee

LOUISE YOUNG, C.A.,  
Director, Finance  
Superannuation Commission

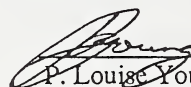
**COLLEGE PENSION PLAN**  
**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**  
*(\$ Thousands)*

August 31	1992	1991
<b>ASSETS</b>		
Investments (Note 3)	<u>\$398,889</u>	<u>\$335,305</u>
Receivables		
Members' contributions	1,156	1,044
Employers' contributions	1,156	1,043
Accrued interest and dividends	<u>4,750</u>	<u>3,908</u>
	<u>7,062</u>	<u>5,995</u>
Cash	665	110
<b>Total Assets</b>	<u>406,616</u>	<u>341,410</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	230	166
Due to investment dealers (net)	1,288	-
<b>Total Liabilities</b>	<u>1,518</u>	<u>166</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<u>\$405,098</u>	<u>\$341,244</u>

The nine accompanying notes are an integral part of these financial statements.



John W. Cook, F.C.I.A.  
 Superannuation Commissioner  
 Trustee



P. Louise Young, C.A.  
 Director, Finance  
 Superannuation Commission



**COLLEGE PENSION PLAN**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
*(\$ Thousands)*

	Basic	Inflation	<u>Totals</u>	
For the years ended August 31	Account	Adjustment Account	1992	1991
<b>INCREASE IN ASSETS</b>				
Investment Income				
Income (Note 4)	\$ 24,117	\$ 3,093	\$ 27,210	\$ 29,181
Current period change in market value	15,622	2,208	17,830	12,985
	39,739	5,301	45,040	42,166
Contributions (Note 7)				
Members'				
Current service	11,768	1,063	12,831	11,177
Past service	214	4	218	128
	11,982	1,067	13,049	11,305
Employers'				
Current service	11,768	1,063	12,831	11,178
Past service	266	11	277	115
	12,034	1,074	13,108	11,293
Transfers from other plans	777	20	797	1,266
<b>Total Increase in Assets</b>	<b>64,532</b>	<b>7,462</b>	<b>71,994</b>	<b>66,030</b>
<b>DECREASE IN ASSETS</b>				
Pension Benefits Paid				
Contributory	5,438	-	5,438	4,726
Indexing supplements	1,196	-	1,196	973
	6,634	-	6,634	5,699
Refunds of contributions	631	83	714	864
Transfers to other plans	171	17	188	427
Medical plan premiums	80	-	80	66
Administration costs and actuarial fees	362	-	362	284
Investment management fees (Note 3)	146	16	162	157
<b>Total Decrease in Assets</b>	<b>8,024</b>	<b>116</b>	<b>8,140</b>	<b>7,497</b>
<b>INCREASE IN NET ASSETS BEFORE TRANSFERS</b>	<b>56,508</b>	<b>7,346</b>	<b>63,854</b>	<b>58,533</b>
Account transfers (Note 5)	1,224	(1,224)	-	-
<b>INCREASE IN NET ASSETS</b>	<b>57,732</b>	<b>6,122</b>	<b>63,854</b>	<b>58,533</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>				
AT BEGINNING OF YEAR	306,411	34,833	341,244	282,711
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>				
AT END OF YEAR	\$364,143	\$ 40,955	\$405,098	\$341,244



**COLLEGE PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 1992**

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**1. DESCRIPTION OF THE COLLEGE PENSION PLAN**

The following brief description of the College Pension Plan (the Plan) is provided for general information only. For more information refer to the *Pension (College) Act*.

**a) General**

The Plan is a defined benefit pension plan for senior administrative employees and faculty members of British Columbia colleges. Senior administrative staff are required to participate; faculty may do so voluntarily.

**b) Pension Benefits**

Members are eligible for an unreduced pension benefit if they retire:

- at age 55, with a minimum of 35 years contributory service;
- at age 60, with a minimum of 10 years contributory service; or
- at age 65.

A reduced pension is available on retirement:

- at age 55, with a minimum of 10 years contributory service; or
- at age 60, with less than 10 years contributory service.

A member retiring on an unreduced pension receives an annual pension of 2% of the member's highest 5-year average annual salary multiplied by years of pensionable service, to a maximum of 35 years. At age 65, or date of death or disability, if earlier, there is a reduction in the formula as a result of integration with the Canada Pension Plan.

Increases to pension payments are provided each January 1st in accordance with the indexing provisions of the Plan. These increases are based on the annual increase in the Consumer Price Index (CPI) as at the previous September 30th, and are subject to availability of funds in the Inflation Adjustment Account (Note 5).

At January 1, 1992 pensioners received a full CPI increase of 5.4% (1991 - 4.2%).

**c) Termination and Portability Benefits**

A terminating member may choose between leaving accumulated contributions on deposit or obtaining a refund. The refund includes interest credited. Members who leave contributions in the Plan are entitled to deferred pension benefits. Those members not withdrawing contributions may carry certain pension rights to other pension plans that have portability arrangements with the College Pension Plan. New members may also, under portability arrangements, transfer contributions and service from other plans to increase pension benefits under the College Pension Plan.

**d) Other Benefits**

Disability and survivor benefits are available under the Plan.

**COLLEGE PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 1992**

**2. SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Presentation**

These financial statements have been prepared on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity, independent of the Plan's contributing employers and members.

**b) Investments**

Investments are stated at market value. Investment purchases and sales are recorded on trade date.

**c) Administration Costs**

General administration costs incurred by the Superannuation Commission are prorated and charged to each pension plan under its administration based primarily on the relative numbers of members in each plan. General administration costs include furniture and equipment purchases, and computer systems development costs which are expensed as they are incurred.

**3. INVESTMENTS**

	1992		1991	
	Market Value	Adjusted Cost	Market Value	Adjusted Cost
	(\$ Thousands)			
Bonds	\$176,898	\$163,071	\$159,879	\$157,796
Units in Province of British Columbia				
Pooled Investment Portfolios				
Money Market Pools	75,476	75,066	94,957	94,669
Canadian Equities Pools	128,290	127,467	76,340	72,677
Canadian Bond Pools	18,225	17,113	4,129	4,084
	<u>221,991</u>	<u>219,646</u>	<u>175,426</u>	<u>171,430</u>
	<u>\$398,889</u>	<u>\$382,717</u>	<u>\$335,305</u>	<u>\$329,226</u>

The Minister of Finance and Corporate Relations of British Columbia has statutory responsibility for managing investments on behalf of the Plan. This is done through the Provincial Treasury, which charges a management fee for the service.

Bonds held consist of debentures issued or guaranteed by federal, provincial or municipal governments, with terms of one year or more.

COLLEGE PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 1992

3. INVESTMENTS (continued)

Units are held in several Province of British Columbia Pooled Investment Portfolios managed by the Provincial Treasury. The money market pools invest mainly in Canadian money market securities, such as treasury bills, with terms of one year or less. The equities pools invest primarily in publicly traded shares in Canadian companies, and the bond pools in Canadian government and corporate bonds.

4. INVESTMENT INCOME

	1992			1991
	Basic Account	Inflation Adjustment Account	Total	Total
	(\$ Thousands)			
Bonds	\$13,651	\$2,234	\$15,885	\$16,482
Unit Income				
Money Market Pools	6,242	764	7,006	10,618
Canadian Equities Pools	3,289	-	3,289	2,039
Canadian Bond Pools	935	95	1,030	42
	\$24,117	\$3,093	\$27,210	\$29,181

Income from each unit pool is calculated monthly by Provincial Treasury and reinvested in units of the pool.

5. ACCOUNT TRANSFERS

	1992		1991	
	Basic Account	Inflation Adjustment Account	Basic Account	Inflation Adjustment Account
	(\$Thousands)			
Present value of current indexing supplements	\$ 2,863	\$(2,863 )	\$ 1,920	\$(1,920 )
Indexing of deferred pensions	71	(71 )	60	(60 )
Excess interest	(1,699 )	1,699	(1,617 )	1,617
Other	(11 )	11	(6 )	6
	\$ 1,224	\$(1,224 )	\$ 357	\$( 357 )

**COLLEGE PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 1992**

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**5. ACCOUNT TRANSFERS (continued)**

A separate account is maintained for funding current and future indexing supplements. This Inflation Adjustment Account is funded through a portion of ongoing contributions from employers and members (Note 7), from investment income earned on its own assets, and from excess interest earned in the Basic Account.

Excess interest is defined as investment income earned on Basic Account assets in respect of pensions being paid, and that is in excess of the rate of return used by the actuary in valuing the Plan's liabilities. Excess interest is transferred from the Basic Account to the Inflation Adjustment Account annually.

All pension payments are made from the Basic Account and each year, as indexing supplements are made to members' pension payments, monies are transferred from the Inflation Adjustment Account to the Basic Account to cover the present value of all future payments arising from the current indexing supplements.

**6. OBLIGATIONS FOR PENSION BENEFITS**

**a) Accrued Pension Benefits**

The present value of accrued basic pension benefits was determined using the projected benefit method prorated on service. Accrued basic pension benefits include all indexing granted to the date of valuation, but not future indexing. An actuarial valuation was made as of August 31, 1991 by Eckler Partners Ltd., a firm of consulting actuaries, and was then extrapolated to August 31, 1992, using the administrator's best estimate assumptions.

The present value of basic accrued pension benefits, and the main changes in the present value of benefits, were as follows:

	(\$ Thousands)
Actuarial present value of accrued pension benefits at August 31, 1991	\$283,004
Present value of current indexing supplements	2,863
Benefits accrued	26,185
Benefits paid	(7,265)
Interest accrued on benefits	19,134
Extrapolated present value of accrued pension benefits at August 31, 1992	<u>\$323,921</u>

**COLLEGE PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 1992**

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**6. OBLIGATIONS FOR PENSION BENEFITS (continued)**

The assumptions used in determining the actuarial value of accrued pension benefits were developed by reference to expected long-term market conditions. Significant long-term assumptions used in the actuarial valuation and the extrapolation were:

	<u>1992</u>	<u>1991</u>
Asset rate of return	7.0%*	7.0%*
Salary escalation rate	5.0%	5.0%

\* Returns in excess of 6.5% during the post-retirement period are credited to the Inflation Adjustment Account.

**b) Assets**

The actuarial value of the Basic Account assets available for benefits has also been determined with reference to long-term market trends (consistent with assumptions underlying the valuation of the accrued pension benefits). The actuarial asset value was based on a five year smoothing of market value changes. The actuarial asset value used in the latest valuation was extrapolated to August 31, 1992 using the administrator's best estimate assumptions.

The actuarial asset value calculated as at August 31, 1991 was:

	<i>(\$ Thousands)</i>
Market value of Basic Account assets available for benefits as at August 31, 1991	\$306,411
Market value changes not reflected in actuarial value of net assets	<u>(17,482)</u>
Actuarial value of Basic Account assets available for benefits as at August 31, 1991	<u><u>\$288,929</u></u>

The extrapolated asset value to August 31, 1992 is as follows:

	<i>(\$ Thousands)</i>
Actuarial value of Basic Account assets at August 31, 1991	\$288,929
Present value of current indexing supplements	2,863
Employee and employer contributions	24,016
Benefits paid	(7,265)
Expected earnings	<u>19,449</u>
Extrapolated value of Basic Account assets at August 31, 1992	<u><u>\$327,992</u></u>



**COLLEGE PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 1992**

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**6. OBLIGATIONS FOR PENSION BENEFITS (continued)**

**c) Surplus**

The actuarial valuation of accrued basic pension benefits and assets as at August 31, 1991, using the above basis, indicated a \$5,925,000 surplus. Extrapolations to August 31, 1992 project the surplus to have decreased to \$4,071,000.

**7. FUNDING POLICY**

**a) Contributions**

Contributions are made to both the Basic Account and the Inflation Adjustment Account.

The statutory contribution rate to the Basic Account is:

- 5.0% of employees' pensionable salary up to and including Canada Pension Plan's Year's Maximum Pensionable Earnings (YMPE) (\$32,200 in 1992)
- 6.5% of employees' pensionable salary exceeding YMPE.

These contributions are made by members and are matched by employers so that the combined contribution rate to the Basic Account is 13% (integrated with YMPE).

In addition, .5% of salary from employers and members (i.e., a total of 1%) is credited to the Inflation Adjustment Account to help provide for the payment of indexing supplements (Note 5).

**b) Actuarial Valuation for Funding Purposes**

An actuarial valuation of the Plan's assets and pension obligations is performed every three years to determine an appropriate combined employer and member contribution rate to fund the Plan. The actuary's valuation for funding purposes, and the recommended contribution rate is calculated using a level contribution funding method. This method expresses contributions as a constant percentage of future payrolls that, together with estimated future investment earnings, will finance the benefits for a typical new entrant to the Plan and will maintain the unfunded liability as a constant percentage of future payrolls.

The most recent actuarial valuation for funding purposes was prepared as of August 31, 1991. This valuation disclosed an unfunded liability for basic pension benefits of \$44,545,000, compared to \$29,814,000 as of August 31, 1988, the date of the previous valuation. As a result of this valuation, the actuary recommended that the statutory



**COLLEGE PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 1992**

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**7. FUNDING POLICY (continued)**

contribution rate for basic pension benefits be increased from the current combined maximum rate of 13% of total salaries to 14.81%. For 1992, the combined maximum contribution rate to the Basic Account was maintained at 13%.

**8. RECLASSIFICATION**

Certain prior year's amounts have been reclassified to be consistent with current year's presentation.

**9. PENSION BENEFITS STANDARDS ACT**

On January 1, 1993, the Pension Benefits Standards Act (PBSA) comes into effect. The legislation alters the College Pension Plan only in those areas where the plan currently falls short of the new standards. As a result, PBSA has no impact on vesting, and affects the locking-in provisions only for post-1992 contributions.

The legislation has no significant effect on the obligation for accrued pension benefits as calculated to August 31, 1992 (Note 6).

# Members of the Legislative Assembly Superannuation Account



Auditor General of British Columbia

## AUDITOR'S REPORT

8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

(604) 387-6803  
Fax (604) 387-1230

*To the Superannuation Commissioner, Trustee,*

*To the Minister of Government Services, Province of British Columbia, and*

*To the Minister of Finance and Corporate Relations, Province of British Columbia:*

I have audited the statement of net assets of the Members of the Legislative Assembly Superannuation Account, an account in the Ministry of Finance and Corporate Relations, as at March 31, 1993 and the statement of changes in net assets for the year then ended. These financial statements are the responsibility of the Superannuation Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets of the Account as at March 31, 1993 and the changes in its net assets for the year then ended in accordance with the accounting principles described in note 3 to the financial statements.

A handwritten signature in dark ink, reading "George L. Morfitt".

George L. Morfitt, FCA  
Auditor General

*Victoria, British Columbia  
July 26, 1993*



Province of  
British Columbia

OFFICE OF THE  
COMMISSIONER

Superannuation  
Commission

548 Michigan Street  
Victoria  
British Columbia  
V8V 4R5  
Telephone: (604) 387-1002  
Facsimile: (604) 387-4199

IN REPLY REFER TO .....

**MEMBERS OF THE LEGISLATIVE ASSEMBLY  
SUPERANNUATION ACCOUNT**

**ADMINISTRATOR'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of the Members of the Legislative Assembly Superannuation Account were prepared by the management of the Superannuation Commission, which is responsible for the integrity and fairness of the data presented, including significant accounting judgements and estimates. This responsibility includes selecting appropriate accounting principles as described in Note 3 to the financial statements. Other financial information contained in the Annual Report for the Account conforms to these financial statements.

In discharging its responsibility for the integrity and fairness of the financial statements, the Superannuation Commission maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded.

The Auditor General of British Columbia has performed an independent audit of the financial statements of the Account in accordance with generally accepted auditing standards. His Auditor's Report outlines the scope of this independent audit and the opinion expressed.

A handwritten signature in cursive script, reading "John W. Cook".

JOHN W. COOK, F.C.I.A.,  
Superannuation Commissioner, Trustee

A handwritten signature in cursive script, reading "P. Louise Young".

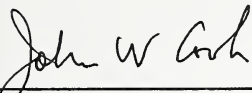
P. LOUISE YOUNG, C.A.,  
Director, Finance  
Superannuation Commission

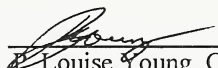
July 26, 1993

**MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT**  
**STATEMENT OF NET ASSETS**  
*(\$ Thousands)*

March 31	1993	1992
<b>ASSETS</b>		
Investments (Note 4)	\$1,544	\$3,475
Receivables		
Members' contributions	-	1
Employer's contributions	100	155
Due from the Province of		
British Columbia (Note 6)	-	6,417
Accrued investment income	8	17
	<u>108</u>	<u>6,590</u>
Cash	30	133
<b>Total Assets</b>	<b>1,682</b>	<b>10,198</b>
<b>LIABILITIES</b>		
Due to the Public Service		
Superannuation Plan (Note 6)	28	9,225
<b>NET ASSETS</b>	<b>\$1,654</b>	<b>\$973</b>

The eight accompanying notes are an integral part of these financial statements.

  
 John W. Cook, F.C.I.A.,  
 Superannuation Commissioner  
 Trustee

  
 E. Louise Young, C.A.,  
 Director, Finance  
 Superannuation Commission

**MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT**  
**STATEMENT OF CHANGES IN NET ASSETS**  
*(\$ Thousands)*

For the year ended March 31	1993	1992
<b>INCREASE IN ASSETS</b>		
Investment income (Note 5)	\$240	\$320
Current period change in market value	26	23
	<u>266</u>	<u>343</u>
Contributions (Note 2)		
Members'		
Current service	219	138
Past service	22	98
	<u>241</u>	<u>236</u>
Employer		
Current service	219	138
Past service	22	98
Terminal funding on allowances granted (Note 6)	-	6,417
	<u>241</u>	<u>6,653</u>
Total Increase in Assets	748	7,232
<b>DECREASE IN ASSETS</b>		
Transfer to the Public Service Superannuation Plan (Note 6)	67	9,247
Refunds of contributions	-	80
Total Decrease in Assets	67	9,327
<b>INCREASE (DECREASE) IN NET ASSETS</b>	681	(2,095)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	973	3,068
<b>NET ASSETS AT END OF YEAR</b>	<u>\$1,654</u>	<u>\$973</u>

# MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 1993

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#### 1. THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT

Under Part 2 of the *Legislative Assembly Allowances and Pension Act*, the Members of the Legislative Assembly Superannuation Account is an account in the Ministry of Finance and Corporate Relations of the Province of British Columbia.

The Account receives contributions from the Province of British Columbia, as the employer, and from participating members who are elected Members of the Legislative Assembly (MLAs).

When a member is granted a superannuation allowance, the amount required to provide his or her future pension benefits is transferred to the Public Service Superannuation Plan and monthly allowances are paid from that Plan. The Province provides additional funding if accumulated contributions in the Account are less than the amount required to fund the allowances granted.

Former MLAs, receiving an allowance, who are re-elected to the Legislature cease to receive an allowance, and resume contributing to the Account. In addition, an amount equal to the present value of their superannuation allowance is transferred back from the Public Service Superannuation Plan to the Account.

#### 2. DESCRIPTION OF THE MEMBERS OF THE LEGISLATIVE ASSEMBLY PENSION PLAN

The following brief description of the Members of the Legislative Assembly Pension Plan (the Plan) is provided for general information only. For more information refer to the *Legislative Assembly Allowances and Pension Act*.

##### a) General

The Plan is a defined benefit pension plan open to all Members of the Legislative Assembly.

##### b) Contributions

Members and the employer, the Province of British Columbia, each contribute to the Account 9% of salary and indemnities, up to the contribution limit provided for in section 8(6) of the Income Tax Act (Canada), as amended. Members may contribute to the Account for past service for which they have not already contributed.



**MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1993**

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**2. DESCRIPTION OF THE MEMBERS OF THE LEGISLATIVE ASSEMBLY  
PENSION PLAN (continued)**

**c) Pension Benefits**

A member of the Plan is entitled to a superannuation allowance upon ceasing to be an MLA, after having served seven years or for more than two parliaments, and having attained the age of 55 years, or having attained an age plus years of service as an MLA totalling 60 or more years.

The plan provides a superannuation allowance of 5% per year of service, up to a maximum of 80%, of the average legislative allowance, special allowance and ministerial salary earned in the highest four years of service as an MLA, and as a Minister or specified office holder.

**d) Termination Benefits**

A member of the plan who ceases to be an MLA may choose between leaving accumulated contributions on deposit or obtaining a refund. The refund includes interest credited. Former members leaving contributions on deposit are entitled, if otherwise eligible, to a deferred pension benefit.

**e) Other Benefits**

Disability and survivor benefits are available under the Plan.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Presentation**

These financial statements are prepared on the accrual basis of accounting and present the Account as a separate financial reporting entity, independent of the Account's contributing employer and members. These statements show net assets of the Account as at March 31, 1993, and the changes in net assets for the year then ended, and do not purport to show the adequacy of the Account to meet the obligations of the *Legislative Assembly Allowances and Pension Act*.

**b) Investments**

Investments are stated at market value. Market value for units is calculated by the Provincial Treasury, Ministry of Finance and Corporate Relations of British Columbia, and is based on the market value of the net assets of the relevant portfolio, divided by the total number of units outstanding. The market value of net assets for each portfolio is derived from external quotations or appraisals. Investment purchases and sales are recorded on trade date.

**MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1993**

**4. INVESTMENTS**

	Market Value	
	1993	1992
	(\$ Thousands)	
Short-term investments	\$406	\$2,656
Units in money market pools	646	-
Bonds	492	819
	<u>\$1,544</u>	<u>\$3,475</u>

Units are held in Province of British Columbia money market pooled investment portfolios, managed by the Provincial Treasury. Each unit gives its holder a proportionate share in the net equity of the portfolio. The money market pools invest mainly in Canadian money market securities, such as treasury bills, with terms of one year or less.

Bonds held consist of debentures issued or guaranteed by federal, provincial or municipal governments, with terms of one year or more.

**5. INVESTMENT INCOME**

	1993	1992
	(\$ Thousands)	
Short-term investments	\$167	\$135
Unit income (money market pools)	9	98
Bonds	64	87
	<u>\$240</u>	<u>\$320</u>

Income from each unit pool is calculated by Provincial Treasury and reinvested within the pool.

**6. RELATED PARTY TRANSACTIONS**

**a) Transfers to the Public Service Superannuation Plan**

	1993	1992
	(\$ Thousands)	
Accumulated contributions available for allowances granted	\$ -	\$2,765
Terminal funding received from the Province of British Columbia (Note 1)	-	6,417
Present value of allowances granted	-	9,182
Contributions for indexing supplements	67	65
Total Transfer	<u>\$67</u>	<u>\$9,247</u>

**MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1993**

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**6. RELATED PARTY TRANSACTIONS (continued)**

**a) Transfers to the Public Service Superannuation Plan (continued)**

When a member is granted a superannuation allowance, the present value of the allowance is transferred to the Public Service Superannuation Plan and monthly benefits are paid from that Plan. The Province provides additional funding in the year the allowance is granted (terminal funding) if accumulated contributions in the Account are less than the present value of the allowances granted. During the year ended March 31, 1993, no members (1992 - 20) were granted a superannuation allowance.

Under the *Legislative Assembly Allowances and Pension Act*, amounts contributed by members and the employer to help provide for the payment of indexing supplements are transferred each year from the Account to the Public Service Superannuation Plan, from which the indexing supplements are paid.

**b) Administrative Expenses and Investment Management Fees**

Administrative expenses and investment management fees relating to the members of the Legislative Assembly Superannuation Account are paid from the Public Service Superannuation Plan.

**7. ACTUARIAL VALUATION**

An actuarial valuation of the Plan is not required by the *Legislative Assembly Allowances and Pension Act* and a valuation has not been performed to date.

**8. RECLASSIFICATION**

Certain prior year's amounts have been reclassified to be consistent with the current year's presentation.

## Municipal Superannuation Plan



Auditor General of British Columbia

### AUDITOR'S REPORT

8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

(604) 387-6803  
Fax (604) 387-1230

*To the Superannuation Commissioner, and*

*To the Minister of Government Services,  
Province of British Columbia:*

I have audited the statement of net assets available for benefits of the Municipal Superannuation Plan as at December 31, 1992 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Superannuation Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 1992 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

A handwritten signature in cursive script, reading 'George L. Morfitt'.

George L. Morfitt, FCA  
Auditor General

*Victoria, British Columbia  
July 26, 1993*



Province of  
British Columbia

OFFICE OF THE  
COMMISSIONER

Superannuation  
Commission

548 Michigan Street  
Victoria  
British Columbia  
V8V 4R5  
Telephone: (604) 387-1002  
Facsimile: (604) 387-4199

IN REPLY REFER TO .....

## MUNICIPAL SUPERANNUATION PLAN

### ADMINISTRATOR'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Municipal Superannuation Plan were prepared by the management of the Superannuation Commission, which is responsible for the integrity and fairness of the data presented, including significant accounting judgements and estimates. This responsibility includes selecting appropriate accounting principles consistent with generally accepted accounting principles in Canada. Other financial information contained in the Annual Report for the Plan conforms to these financial statements.

In discharging its responsibility for the integrity and fairness of the financial statements, the Superannuation Commission maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded.

The firm of Eckler Partners Ltd. has been appointed independent consulting actuaries to the Plan. Their role is to complete an actuarial valuation of the benefit liabilities, which are included in the financial statements of the Plan, in accordance with generally accepted actuarial principles.

The Auditor General of British Columbia has performed an independent audit of the financial statements of the Plan in accordance with generally accepted auditing standards. His Auditor's Report outlines the scope of this independent audit and the opinion expressed.

A handwritten signature in cursive script, reading "John W. Cook".

JOHN W. COOK, F.C.I.A.,  
Superannuation Commissioner, Trustee

A handwritten signature in cursive script, reading "P. Louise Young".

P. LOUISE YOUNG, C.A.,  
Director, Finance  
Superannuation Commission

July 26, 1993

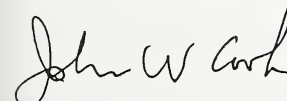



**MUNICIPAL SUPERANNUATION PLAN**  
**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**  
*(\$ Thousands)*

December 31	1992	1991
<b>ASSETS</b>		
Investments (Note 3)	\$5,665,245	\$5,080,038
Receivables		
Members' contributions	18,982	15,001
Employers' contributions	16,530	13,388
Accrued investment income	103,343	84,842
	<u>138,855</u>	<u>113,231</u>
Cash	643	1,043
Total Assets	5,804,743	5,194,312
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	6,774	6,026
Due to investment dealers (net)	-	24,610
Total Liabilities	6,774	30,636
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>\$5,797,969</b>	<b>\$5,163,676</b>

Obligations for Pension Benefits (Note 7)

The eleven accompanying notes are an integral part of these financial statements.

  
 John W. Cook, F.C.I.A.,  
 Superannuation Commissioner  
 Trustee

  
 P. Louise Young, C.A.,  
 Director, Finance  
 Superannuation Commission



**MUNICIPAL SUPERANNUATION PLAN**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
(\$ Thousands)

For the year ended December 31	Basic Account	Retirement Annuity Account	Inflation Adjustment Account	Totals 1992	1991
<b>INCREASE IN ASSETS</b>					
Net investment income (Note 4)	\$393,991	\$15,007	\$47,260	\$456,258	\$454,283
Current period change in market value	11,340	-	1,855	13,195	353,271
	405,331	15,007	49,115	469,453	807,554
Contributions (Note 5)					
Members'	167,305	4,733	31,410	203,448	178,614
Employers'	158,481	5,499	31,445	195,425	173,936
	325,786	10,232	62,855	398,873	352,550
Transfers from other plans	4,262	-	332	4,594	2,230
<b>Total Increase in Assets</b>	735,379	25,239	112,302	872,920	1,162,334
<b>DECREASE IN ASSETS</b>					
Pension benefits paid					
Contributory	157,852	-	-	157,852	145,864
Indexing supplements	50,527	-	-	50,527	43,057
	208,379	-	-	208,379	188,923
Refunds of contributions	16,049	452	2,935	19,436	23,901
Transfers to other plans	636	-	99	735	1,581
Medical plan premiums	4,213	-	-	4,213	3,636
Administration costs and actuarial fees (Note 9)	5,864	-	-	5,864	5,703
<b>Total Decrease in Assets</b>	235,141	452	3,034	238,627	223,744
<b>INCREASE IN NET ASSETS BEFORE TRANSFERS</b>	500,238	24,787	109,268	634,293	938,590
Account transfers (Note 6)	17,896	(9,513)	(8,383)	-	-
<b>INCREASE IN NET ASSETS</b>	518,134	15,274	100,885	634,293	938,590
<b>NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR</b>	4,371,223	145,749	646,704	5,163,676	4,225,086
<b>NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR</b>	\$4,889,357	\$161,023	\$747,589	\$5,797,969	\$5,163,676

**MUNICIPAL SUPERANNUATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

---

**1. DESCRIPTION OF THE MUNICIPAL SUPERANNUATION PLAN**

The following brief description of the Municipal Superannuation Plan (the Plan) is provided for general information only. For more information refer to the *Pension (Municipal) Act*.

**a) General**

The Plan is a defined benefit pension plan open to eligible employees of a municipality, school district, regional college or other employer to which the *Pension (Municipal) Act* applies.

**b) Pension Benefits**

Members are eligible for an unreduced pension benefit if retirement is at normal retirement age, as defined in the Plan, or at an age within 5 years of normal retirement age with at least 10 years contributory service.

Unreduced pension benefits are also available:

- at age 55, with a minimum of 35 years contributory service, to members whose normal retirement age is 65; and
- at age 50, with a minimum of 30 years contributory service, to members whose normal retirement age is 60.

Members who do not meet the above criteria are eligible for reduced pensions if retirement is at an age 10 years under the normal retirement age with at least 10 years contributory service, or if retiring within 5 years under the normal retirement age with less than 10 years contributory service.

The Plan provides an unreduced annual pension of 1.75% of the highest 5-year average salary, for each year of pensionable service credited prior to the date the employer enrolled in the Plan, plus 2% of the highest 5-year average salary for each year after the date the employer enrolled. The maximum pensionable service allowable under the plan is 35 years. At age 65, or date of death or disability, if earlier, there is a reduction in the formula as a result of integration with the Canada Pension Plan.

Increases to pension payments are provided each January 1st in accordance with the indexing provisions of the Plan. These increases are based on the annual increase in the Consumer Price Index (CPI) as at the previous September 30th, and are subject to availability of funds in the Inflation Adjustment Account (Note 6).

At January 1, 1992 pensioners received a full CPI increase of 5.4% (1991 - 4.2%). Sufficient funds were also available to provide a full CPI increase of 1.3% effective January 1, 1993.

**MUNICIPAL SUPERANNUATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

---

**1. DESCRIPTION OF THE MUNICIPAL SUPERANNUATION PLAN (continued)**

**c) Termination and Portability Benefits**

A terminating member may choose between leaving accumulated contributions on deposit or obtaining a refund. The refund includes interest credited. Members who leave contributions in the Plan, if otherwise eligible, are entitled to deferred pension benefits. The highest 5-year average salary used in the deferred benefit calculation is adjusted for cost of living changes during the deferral period at the time the pension is granted. Those members not withdrawing contributions may carry certain pension rights to other pension plans that have portability arrangements with the Municipal Superannuation Plan. New members may also, under portability arrangements, transfer contributions and service from other plans to increase pension benefits under the Municipal Superannuation Plan.

**d) Other Benefits**

Disability and survivor benefits are available under the Plan.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Presentation**

These financial statements have been prepared on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity, independent of the Plan's contributing employers and members.

**b) Investments**

Investments are stated at market value. Market value for units is calculated by the Provincial Treasury, Ministry of Finance and Corporate Relations of British Columbia, and is based on the market value of the net assets of the relevant portfolio, divided by the total number of units outstanding. The market value of net assets for each portfolio is derived from external quotations or appraisals. Investment purchases and sales are recorded on trade date.

**MUNICIPAL SUPERANNUATION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1992**

**3. INVESTMENTS**

	Market Value	
	1992	1991
	(\$ Thousands)	
Bonds	\$3,934,853	\$3,561,440
Units in Province of British Columbia		
Money Market Pools	1,697,401	1,486,538
Canadian Bond Pool	32,991	32,060
	<u>\$5,665,245</u>	<u>\$5,080,038</u>

Bonds held consist of debentures issued or guaranteed by federal, provincial or municipal governments, with terms of one year or more.

Units are held in Province of British Columbia Pooled Investment Portfolios managed by the Provincial Treasury. Each unit gives its holder a proportionate share of equity in the Portfolio. The money market pools invest mainly in Canadian money market securities, such as treasury bills, with terms of one year or less. The Canadian Bond Pool invests mainly in Canadian government bonds. Details of investments held by the Pooled Investment Portfolios can be found in the financial statements for the Portfolios, published annually in the Public Accounts of the Province of British Columbia.

**4. INVESTMENT INCOME**

	1992			1991
	Basic Account	Retirement Annuity Account	Inflation Adjustment Account	Total
	(\$ Thousands)			
Bonds	\$295,229	\$15,007	\$33,695	\$343,931
Unit Income				
Money Market Pools	99,704	-	11,760	111,464
Canadian Bond Pool	-	-	1,919	1,919
	<u>394,933</u>	<u>15,007</u>	<u>47,374</u>	<u>457,314</u>
Investment Management Fees	(942)	-	(114)	(1,056)
	<u>\$393,991</u>	<u>\$15,007</u>	<u>\$47,260</u>	<u>\$454,283</u>

Income from each unit pool is calculated by Provincial Treasury and reinvested within the pool.

**MUNICIPAL SUPERANNUATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

**5. CONTRIBUTIONS**

	1992			1991	
	Basic Account	Retirement Annuity Account	Inflation Adjustment Account	Total	Total
	(\$ Thousands)				
Members' contributions					
Current	\$165,881	\$ -	\$31,342	\$197,223	\$172,696
Special agreement	-	4,541	-	4,541	4,235
Arrears	308	148	31	487	425
Purchase of service	358	-	19	377	601
Leave of absence	58	1	10	69	40
Reinstatement	700	43	8	751	617
	167,305	4,733	31,410	203,448	178,614
Employers' contributions					
Current	157,515	-	31,342	188,857	166,724
Special agreement	-	5,481	-	5,481	5,117
Arrears	549	2	74	625	772
Purchase of service	360	15	19	394	1,280
Leave of absence	57	1	10	68	43
	158,481	5,499	31,445	195,425	173,936
	\$325,786	\$10,232	\$62,855	\$398,873	\$352,550

**6. ACCOUNT TRANSFERS**

	1992			1991		
	Basic Account	Retirement Annuity Account	Inflation Adjustment Account	Basic Account	Retirement Annuity Account	Inflation Adjustment Account
	(\$ Thousands)					
Present value of current indexing supplements	\$ 87,067	\$ -	\$(87,067)	\$62,165	\$ -	\$(62,165)
Indexing of deferred pensions	1,232	-	(1,232)	920	-	(920)
Excess interest	(79,897)	-	79,897	(78,552)	-	78,552
Pensions purchased from Retirement Annuity Account	7,444	(7,444)	-	6,129	(6,129)	-
Other	2,050	(2,069)	19	(92)	75	17
	\$17,896	\$(9,513)	\$(8,383)	\$ (9,430)	\$(6,054)	\$15,484



**MUNICIPAL SUPERANNUATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

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**6. ACCOUNT TRANSFERS (continued)**

A separate account is maintained for funding future indexing supplements. This Inflation Adjustment Account is funded through a portion of ongoing contributions from employers and members (Note 8), from investment income earned on its own assets, and from excess interest earned in the Basic Account.

All pension payments are made from the Basic Account and each year, as indexing supplements are made to members' pension payments, monies are transferred from the Inflation Adjustment Account to the Basic Account to cover the present value of all future payments arising from the current indexing supplements.

Excess interest is defined as investment income earned on Basic Account assets in respect of pensions being paid, and that is in excess of the rate of return used by the actuary in valuing the Plan's liabilities. Excess interest is transferred from the Basic Account.

When deferred pensions are granted the present value of the cost of living changes during the deferral period is transferred from the Inflation Adjustment Account to the Basic Account as pensions are granted.

A separate Retirement Annuity Account is also maintained to record extra contributions by employers under special agreements, and members' voluntary contributions. Monies are transferred at retirement from the Retirement Annuity Account to the Basic Account as additional pensions are purchased.

**7. OBLIGATIONS FOR PENSION BENEFITS**

**a) Accrued Pension Benefits**

The present value of accrued basic pension benefits was determined using the projected benefit method prorated on service. Accrued basic pension benefits include all indexing granted to the date of valuation, but not future indexing. An actuarial valuation was made as of December 31, 1991 by Eckler Partners Ltd., a firm of consulting actuaries, and was then extrapolated to December 31, 1992, using the administrator's best estimate assumptions.



**MUNICIPAL SUPERANNUATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

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**7. OBLIGATIONS FOR PENSION BENEFITS (continued)**

**a) Accrued Pension Benefits (continued)**

The present value of basic accrued pension benefits, and the main changes in the present value of benefits, were extrapolated as follows:

	(\$ Thousands)
Actuarial present value of accrued pension benefits at December 31, 1991	\$5,210,004
Present value of current indexing supplements	88,299
Present value of pensions purchased from retirement annuity account in 1992	7,444
Benefits accrued	353,897
Benefits paid	(224,428)
Interest accrued on benefits	348,839
Extrapolated present value of accrued pension benefits at December 31, 1992	<u>\$5,784,055</u>

The assumptions used in determining the actuarial value of accrued pension benefits were developed by reference to expected long-term market conditions. Significant long-term assumptions used in the actuarial valuation and the extrapolation were:

	<u>1992</u>	<u>1991</u>
Asset rate of return	6.5%	6.5%
Salary escalation rate	5.0%	5.0%

**b) Assets**

The actuarial value of the Basic Account assets available for benefits has also been determined with reference to long-term market trends (consistent with assumptions underlying the valuation of the accrued pension benefits). The actuarial asset value was based on a five year smoothing of market value changes. The actuarial asset value used in the latest valuation was extrapolated to December 31, 1992 using the administrator's best estimate assumptions.

**MUNICIPAL SUPERANNUATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

---

**7. OBLIGATIONS FOR PENSION BENEFITS (continued)**

**b) Assets (continued)**

The actuarial asset value calculated as at December 31, 1991 was:

(\$ Thousands)

Market value of Basic Account assets available for benefits as at December 31, 1991	\$4,371,223
Market value changes not reflected in actuarial value of net assets	(218,561)
Actuarial value of Basic Account assets available for benefits as at December 31, 1991	<u>\$4,152,662</u>

The extrapolated asset value to December 31, 1992 is as follows:

(\$ Thousands)

Actuarial value of Basic Account assets at December 31, 1991	\$4,152,662
Present value of current indexing supplements	88,299
Retirement Annuity Account present value transfers in 1992	7,444
Employee and employer contributions	325,786
Benefits paid	(224,428)
Expected earnings	<u>279,199</u>
Extrapolated value of Basic Account assets at December 31, 1992	<u>\$4,628,962</u>

**c) Net Deficiency**

The valuation as at December 31, 1991, disclosed a \$1.06 billion net deficiency of accrued basic pension benefits over assets. Extrapolations to December 31, 1992 project the net deficiency to have increased to \$1.16 billion.

**MUNICIPAL SUPERANNUATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

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**8. FUNDING POLICY**

**a) Contributions**

Contributions are made to both the Basic Account and the Inflation Adjustment Account.

The statutory member contribution rate to the Basic Account is:

- 5.0% of employees' pensionable salary up to and including Canada Pension Plan's Year's Maximum Pensionable Earnings (YMPE) (\$32,200 in 1992)
- 6.5% of employees' pensionable salary exceeding YMPE.

Employers contribute to the Basic Account at varying rates depending on the mix of employees in the group classifications specified by the Plan.

In addition, 1% of salary from employers and members (i.e., a total of 2%) is credited to the Inflation Adjustment Account to help provide for the payment of future indexing supplements (Note 6).

Some employers have special agreements with their employees by which both make extra contributions to increase the members' pensions. These contributions are credited to the Retirement Annuity Account; they are transferred at retirement to the Basic Account as additional pensions are purchased.

**b) Actuarial Valuation for Funding Purposes**

An actuarial valuation of the Plan's assets and pension obligations is performed every three years to determine appropriate combined employer and member contribution rates to fund the Plan. The actuary's valuation for funding purposes, and the recommended contribution rates are calculated using a level contribution funding method. This method expresses contributions as a constant percentage of future payrolls that, together with estimated future investment earnings, will finance the benefits for a typical new entrant to the Plan and will maintain the unfunded liability as a constant percentage of future payrolls.

The most recent actuarial valuation for funding purposes was prepared as at December 31, 1991. This valuation disclosed an unfunded liability for basic pension benefits of \$1.41 billion, compared to \$1.08 billion as of December 31, 1988, the date of the previous valuation. The actuary stated that he did not see the increase in the unfunded liability as a threat to the continued payment of pensions to current and prospective pensioners, or to the financial health of the plan. However, the actuary recommended that

**MUNICIPAL SUPERANNUATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

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**8. FUNDING POLICY (continued)**

**b) Actuarial Valuation for Funding Purposes (continued)**

the combined employee and employer statutory contribution rate for basic pension benefits be increased to that required under the level contribution funding method (an increase of 1.21% of salaries). For 1992 the combined maximum contribution rate to the Basic Account was maintained at its previous level.

**9. RELATED PARTY TRANSACTIONS**

**a) Administration Costs**

General administration costs incurred by the Superannuation Commission are prorated and charged to each pension plan under its administration based primarily on the relative numbers of members in each plan. General administration costs include all salaries and other operating and administration costs, including furniture and equipment purchases, and computer systems development costs which are expensed as they are incurred.

**b) Investments**

The Minister of Finance and Corporate Relations of British Columbia manages investments on behalf of the Plan. This is done through the Provincial Treasury, which allocates and charges costs to the Plan.

**10. PENSION BENEFITS STANDARDS ACT**

On January 1, 1993, the *Pension Benefits Standards Act* (PBSA) comes into effect. The legislation alters the Municipal Superannuation Plan only in those areas where the Plan currently falls short of the new standards.

The legislation has no significant effect on the obligation for accrued pension benefits as calculated to December 31, 1992 (Note 7).

**11. RECLASSIFICATION**

Certain prior year's amounts have been reclassified to be consistent with current year's presentation.

## Public Service Superannuation Plan



Auditor General of British Columbia

### AUDITOR'S REPORT

8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

(604) 387-6803  
Fax (604) 387-1230

*To the Superannuation Commissioner, Trustee,*

*To the Minister of Government Services, Province of British Columbia, and*

*To the Minister of Finance and Corporate Relations,  
Province of British Columbia:*

I have audited the statement of net assets available for benefits of the Public Service Superannuation Plan as at March 31, 1993 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Superannuation Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Plan as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

A handwritten signature in dark ink, appearing to read "George L. Morfitt".

George L. Morfitt, FCA  
Auditor General

Victoria, British Columbia  
August 27, 1993





Province of  
British Columbia

OFFICE OF THE  
COMMISSIONER

Superannuation  
Commission

548 Michigan Street  
Victoria  
British Columbia  
V8V 4R5  
Telephone: (604) 387-1002  
Facsimile: (604) 387-4199

IN REPLY REFER TO .....

## PUBLIC SERVICE SUPERANNUATION PLAN

### ADMINISTRATOR'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Public Service Superannuation Plan were prepared by the management of the Superannuation Commission, which is responsible for the integrity and fairness of the data presented, including significant accounting judgements and estimates. This responsibility includes selecting appropriate accounting principles consistent with generally accepted accounting principles in Canada. Other financial information contained in the Annual Report for the Plan conforms to these financial statements.

In discharging its responsibility for the integrity and fairness of the financial statements, the Superannuation Commission maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded.

The firm of Eckler Partners Ltd. has been appointed independent consulting actuaries to the Plan. Their role is to complete an actuarial valuation of the benefit liabilities, which are included in the financial statements of the Plan, in accordance with generally accepted actuarial principles.

The Auditor General of British Columbia has performed an independent audit of the financial statements of the Plan in accordance with generally accepted auditing standards. His Auditor's Report outlines the scope of this independent audit and the opinion expressed.

JOHN W. COOK, F.C.I.A.,  
Superannuation Commissioner, Trustee

LOUISE YOUNG, C.A.,  
Director, Finance  
Superannuation Commission

August 27, 1993

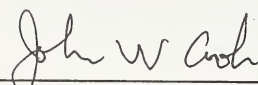


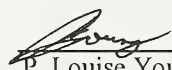
**PUBLIC SERVICE SUPERANNUATION PLAN**  
**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**  
*(\$ Thousands)*

March 31	1993	1992
<b>ASSETS</b>		
Investments (Note 3)	\$5,201,728	\$4,495,259
Receivables		
Members' contributions	2,817	2,694
Employers' contributions	4,719	6,313
Accrued investment income	75,504	70,183
Due from MLA Superannuation Account (Note 10)	28	9,225
Due from investment dealers	-	19,736
Other	1,583	12
	<u>84,651</u>	<u>108,163</u>
Cash	162	1,268
<b>Total Assets</b>	<b>5,286,541</b>	<b>4,604,690</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	6,229	3,564
Due to investment dealers (net)	5,402	-
<b>Total Liabilities</b>	<b>11,631</b>	<b>3,564</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>\$5,274,910</b>	<b>\$4,601,126</b>

Obligations for Pension Benefits (Note 8)

The twelve accompanying notes are an integral part of these financial statements.

  
 John W. Cook, F.C.I.A.,  
 Superannuation Commissioner  
 Trustee

  
 P. Louise Young, C.A.,  
 Director, Finance  
 Superannuation Commission

**PUBLIC SERVICE SUPERANNUATION PLAN**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
*(\$ Thousands)*

	Basic	Inflation Adjustment	Totals	
For the year ended March 31	Account	Account	1993	1992
<b>INCREASE IN ASSETS</b>				
Net investment income (Note 4)	\$349,162	\$53,694	\$402,856	\$410,047
Current period change in market value	195,884	26,870	222,754	84,860
	<u>545,046</u>	<u>80,564</u>	<u>625,610</u>	<u>494,907</u>
Contributions (Note 5)				
Members'	81,867	22,093	103,960	93,774
Employers'				
Province of British Columbia	80,690	14,595	95,285	87,291
Other	43,914	7,113	51,027	46,864
	<u>206,471</u>	<u>43,801</u>	<u>250,272</u>	<u>227,929</u>
Transfers from other plans	2,266	440	2,706	2,030
Transfers from MLA Superannuation Account (Note 10)	-	67	67	9,247
Total Increase in Assets	<u>753,783</u>	<u>124,872</u>	<u>878,655</u>	<u>734,113</u>
<b>DECREASE IN ASSETS</b>				
Pension benefits paid				
Contributory	142,729	-	142,729	139,425
Indexing supplements	47,533	-	47,533	41,983
	<u>190,262</u>	<u>-</u>	<u>190,262</u>	<u>181,408</u>
Refunds of contributions	8,468	2,041	10,509	11,408
Transfer options for privatized employees (Note 6)	111	30	141	39
Transfers to other plans	369	82	451	796
Administration costs and actuarial fees (Note 10)	3,508	-	3,508	3,240
Total Decrease in Assets	<u>202,718</u>	<u>2,153</u>	<u>204,871</u>	<u>196,891</u>
<b>INCREASE IN NET ASSETS</b>				
<b>BEFORE TRANSFERS</b>	551,065	122,719	673,784	537,222
Account transfers (Note 7)	(46,760)	46,760	-	-
<b>INCREASE IN NET ASSETS</b>	<u>504,305</u>	<u>169,479</u>	<u>673,784</u>	<u>537,222</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>				
<b>AT BEGINNING OF YEAR</b>	3,952,304	648,822	4,601,126	4,063,904
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>				
<b>AT END OF YEAR</b>	<u>\$4,456,609</u>	<u>\$818,301</u>	<u>\$5,274,910</u>	<u>\$4,601,126</u>

## **PUBLIC SERVICE SUPERANNUATION PLAN NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 1993**

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### **1. DESCRIPTION OF THE PUBLIC SERVICE SUPERANNUATION PLAN**

The following brief description of the Plan is provided for general information only. For more information refer to the *Pension (Public Service) Act*. The description includes changes to benefits which were introduced effective January 1, 1993, but does not include all exceptions or transitional rules which might affect certain members retiring or terminating within the next 5 years.

#### **a) General**

The Plan is a defined benefit pension plan open to eligible employees of the Public Service and certain Crown corporations, agencies, institutions and other employers to which the *Pension (Public Service) Act* applies.

#### **b) Pension Benefits**

Members are eligible for an unreduced pension benefit if retirement is at the maximum retirement age, as defined in the Plan, or at an age within 5 years of the maximum, with at least 5 years contributory service or continuous employment.

Unreduced pension benefits are also available to members, when retirement is:

- at age 55, with a minimum of 35 years contributory service, for members whose maximum retirement age is 65; or
- at age 50, with a minimum of 35 years of contributory service, for members whose maximum retirement age is 60.

Members who do not meet the above criteria are eligible for reduced pensions when retirement is:

- at an age 10 years under the maximum retirement age, with at least 5 years contributory service or continuous employment; or
- within 5 years of the maximum retirement age, with less than 5 years contributory service or continuous employment.

The Plan provides for an unreduced annual pension of 2% of the highest 5-year average salary, for each year of pensionable service (to a maximum of 35 years). At age 65, or date of death or disability, if earlier, there is a reduction in the formula as a result of integration with the Canada Pension Plan.

Increases to pension payments are provided each January 1st in accordance with the indexing provisions of the Plan. These increases are based on the annual increase in the Consumer Price Index (CPI) as at the previous September 30th, and are subject to availability of funds in the Inflation Adjustment Account (Note 7).

**PUBLIC SERVICE SUPERANNUATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1993**

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**1. DESCRIPTION OF THE PUBLIC SERVICE SUPERANNUATION PLAN  
(continued)**

**b) Pension Benefits (continued)**

At January 1, 1992 pensioners received a full CPI increase of 5.4% (1991 - 4.2%). Sufficient funds were also available to provide a full CPI increase of 1.3% effective January 1, 1993.

**c) Termination and Portability Benefits**

A terminating member who is not eligible for a pension benefit may receive a refund of contributions, including interest.

A terminating member who is not entitled to an immediate pension benefit, but is otherwise eligible, may choose to:

- take a deferred pension;
- transfer the commuted value of the pension benefit to a locked-in RRSP; or
- receive a refund of pre-1993 contributions, including interest, and receive a deferred pension based on subsequent service only.

For deferred pension benefits, the highest 5-year average salary used in the deferred benefit calculation is adjusted at the time the pension is granted for cost of living changes during the deferral period. Those members not withdrawing contributions may carry certain pension rights to other pension plans that have portability arrangements with the Public Service Superannuation Plan. New members may also, under portability arrangements, transfer contributions and service from other plans to provide for, or to increase, pension benefits under the Public Service Superannuation Plan.

**d) Other Benefits**

Disability and survivor benefits are available under the Plan.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Presentation**

These financial statements have been prepared on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity, independent of the Plan's contributing employers and members.

**PUBLIC SERVICE SUPERANNUATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1993**

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**b) Investments**

Investments are stated at market value. Market value for units is calculated by the Provincial Treasury, Ministry of Finance and Corporate Relations of British Columbia, and is based on the market value of the net assets of the relevant portfolio, divided by the total number of units outstanding. The market value of net assets for each portfolio is derived from external quotations or appraisals. Investment purchases and sales are recorded on trade date.

**3. INVESTMENTS**

	Market Value	
	1993	1992
	(\$ Thousands)	
Bonds	\$3,642,061	\$3,175,486
Equities	48,276	52,028
Units in Province of British Columbia		
Money Market Pools	1,477,097	1,235,836
Canadian Bond Pools	34,294	31,909
	<u>\$5,201,728</u>	<u>\$4,495,259</u>

Bonds held consist of debentures issued or guaranteed by federal, provincial or municipal governments, with terms of one year or more.

Equities consist of shares in publicly traded Canadian corporations.

Units are held in Province of British Columbia Pooled Investment Portfolios managed by the Provincial Treasury. Each unit gives its holder a proportionate share in the equity of the Portfolio. The money market pools invest mainly in Canadian money market securities, such as treasury bills, with terms of one year or less. The bond pools invest mainly in Canadian government and corporate bonds. Details of investments held by the pools can be found in the pools' financial statements, published annually in the Public Accounts of the Province of British Columbia.



**PUBLIC SERVICE SUPERANNUATION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 1993**

**4. INVESTMENT INCOME**

	1993			1992
	Basic Account	Inflation Adjustment Account	Total	Total
	(\$ Thousands)			
Bonds	\$271,068	\$39,946	\$311,014	\$288,390
Equities	2,945	-	2,945	2,726
Units in Province of British Columbia				
Money Market Pools	75,988	11,759	87,747	119,268
Canadian Bond Pools	15	2,116	2,131	562
	350,016	53,821	403,837	410,946
Investment Management Fees (Note 10)	(854)	(127)	(981)	(899)
Net Investment Income	\$349,162	\$53,694	\$402,856	\$410,047

Income from each unit pool is calculated by Provincial Treasury and reinvested within the pool.

**5. CONTRIBUTIONS**

	1993			1992
	Basic Account	Inflation Adjustment Account	Total	Total
	(\$ Thousands)			
Members' contributions				
Current	\$80,514	\$22,014	\$102,528	\$93,007
Purchase of service	808	74	882	351
Reinstatement	545	5	550	416
Total Members	81,867	22,093	103,960	93,774
Employers' contributions				
Province of British Columbia				
Current	79,690	14,566	94,256	86,491
Purchase of service	481	24	505	367
Reinstatement	519	5	524	433
	80,690	14,595	95,285	87,291
Other employers				
Current	43,577	7,065	50,642	46,770
Purchase of service	337	48	385	94
	43,914	7,113	51,027	46,864
Total Employers	124,604	21,708	146,312	134,155
	\$206,471	\$43,801	\$250,272	\$227,929



**PUBLIC SERVICE SUPERANNUATION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 1993**

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**6. PENSION OPTIONS FOR PRIVATIZED EMPLOYEES**

Special pension options were available to members who ceased to be employed by the Province of British Columbia because their employment was transferred out of the public service as a result of privatization. Those members were able to receive a refund of their contributions (refund option), leave their contributions in the pension plan and then be eligible for a deferred pension (deposit option), or transfer the value of their pension to a personal registered retirement savings plan or other pension plan (transfer option). The value of the transfer options granted was \$140,876 (1992 - \$39,351).

**7. ACCOUNT TRANSFERS**

	1993		1992	
	Basic Account	Inflation Adjustment Account	Basic Account	Inflation Adjustment Account
	(\$ Thousands)			
Present value of current indexing supplements	\$ 24,418	\$(24,418)	\$ 80,097	\$(80,097)
Indexing of deferred pensions	849	(849)	1,078	(1,078)
Excess interest	(72,012)	72,012	(98,808)	98,808
Other	(15)	15	(57)	57
	<u>\$ (46,760)</u>	<u>\$ 46,760</u>	<u>\$ (17,690)</u>	<u>\$ 17,690</u>

A separate account is maintained for funding current and future indexing supplements. This Inflation Adjustment Account is funded through a portion of ongoing contributions from employers and members (Note 9), from investment income earned on its own assets, and from excess interest earned in the Basic Account.

Excess interest is defined as investment income earned on Basic Account assets in respect of pensions being paid, and that is in excess of the rate of return used by the actuary in valuing the Plan's liabilities. Excess interest is transferred from the Basic Account to the Inflation Adjustment Account annually.

When a deferred pension is granted, the present value of the cost of living changes during the deferral period is transferred from the Inflation Adjustment Account to the Basic Account.

All pension payments are made from the Basic Account and each year, as indexing supplements are made to members' pension payments, monies are transferred from the Inflation Adjustment Account to the Basic Account to cover the present value of all future payments arising from the current indexing supplements.

**PUBLIC SERVICE SUPERANNUATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1993**

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**8. OBLIGATIONS FOR PENSION BENEFITS**

**a) Accrued Pension Benefits**

The present value of accrued basic pension benefits was determined using the projected benefit method prorated on service. Accrued basic pension benefits include all indexing granted to the date of valuation, but not future indexing. An actuarial valuation was made as of March 31, 1990 by Eckler Partners Ltd., a firm of consulting actuaries, and, for the purposes of these financial statements, was then extrapolated to March 31, 1993, using the administrator's best estimate assumptions. A full valuation, as at March 31, 1993 is currently underway.

The extrapolated present value of basic accrued pension benefits, and the main changes in the present value of benefits, were as follows:

	<u>1993</u>	<u>1992</u>
	<i>(\$ Thousands)</i>	
Extrapolated present value of accrued pension benefits at beginning of year	\$4,040,420	\$3,721,380
Present value of current indexing supplements	25,267	81,175
Benefits accrued	203,301	185,475
Benefits paid	(198,841)	(190,651)
Interest accrued on benefits	<u>263,183</u>	<u>243,041</u>
Extrapolated present value of accrued pension benefits at end of year	<u>\$4,333,330</u>	<u>\$4,040,420</u>

The assumptions used in determining the actuarial value of accrued pension benefits were developed by reference to expected long-term market conditions. Significant long-term assumptions used in the actuarial valuation and the extrapolation were:

	<u>1993</u>	<u>1992</u>
Asset rate of return	6.5%	6.5%
Salary escalation rate	5.0%	5.0%

**b) Assets**

The actuarial value of the Basic Account assets available for benefits has also been determined with reference to long-term market trends (consistent with assumptions underlying the valuation of the accrued pension benefits). The actuarial asset value was based on a five year smoothing of market value changes. The actuarial asset value used in the latest valuation was extrapolated to March 31, 1993 using the administrator's best estimate assumptions.

**PUBLIC SERVICE SUPERANNUATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1993**

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**8. OBLIGATIONS FOR PENSION BENEFITS (continued)**

**b) Assets (continued)**

The extrapolated asset values to March 31, 1992 and March 31, 1993 are as follows:

	1993	1992
	<i>(\$ Thousands)</i>	
Extrapolated value of Basic Account assets at beginning of year	\$3,546,539	\$3,254,846
Present value of current indexing supplements	25,267	81,175
Employee and employer contributions	206,471	188,359
Benefits paid	(198,841)	(190,651)
Expected earnings	231,184	212,810
Extrapolated value of Basic Account assets at end of year	<u>\$3,810,620</u>	<u>\$3,546,539</u>

**c) Net Deficiency**

The valuation as at March 31, 1990 disclosed a \$441 million net deficiency of accrued basic pension benefits over assets. Extrapolations to March 31, 1993 project the net deficiency to have increased to \$523 million.

**9. FUNDING POLICY**

**a) Contributions**

Contributions are made to both the Basic Account and the Inflation Adjustment Account.

The statutory member contribution rate to the Basic Account is:

- 4.25% of employees' pensionable salary up to and including Canada Pension Plan's Year's Maximum Pensionable Earnings (YMPE) (\$33,400 in 1993); and
- 5.75% of employees' pensionable salary exceeding YMPE.

Employers contribute to the Basic Account at 6.75% of salary up to the YMPE, and 8.25% on earnings above that.

**PUBLIC SERVICE SUPERANNUATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1993**

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**9. FUNDING POLICY (continued)**

**a) Contributions (continued)**

In addition, 1.25% of salary from employers and members (i.e., a total of 2.5%) is credited to the Inflation Adjustment Account to help provide for the payment of indexing supplements (Note 7).

**b) Actuarial Valuation for Funding Purposes**

An actuarial valuation of the Plan's assets and pension obligations is performed every three years to determine an appropriate combined employer and member contribution rate to fund the Plan. The actuary's valuation for funding purposes, and the recommended contribution rate is calculated using a level contribution funding method. This method expresses contributions as a constant percentage of future payrolls that, together with estimated future investment earnings, will finance the benefits for a typical new entrant to the Plan and will maintain the unfunded liability as a constant percentage of future payrolls.

The Actuary indicated in the valuation for funding purposes as at March 31, 1990 that the Plan had an unfunded actuarial liability of \$438 million in respect of basic pension benefits, assuming future contributions continue at current statutory rates. This unfunded liability decreased by \$18 million from the unfunded actuarial liability in the previous valuation as at March 31, 1987. The valuation also indicated that the combined employee and employer statutory rate for basic pension benefits be increased from 14.0% of salaries to the rate required under the level contribution funding method, 14.25% of salaries. For 1993, the combined contribution rate was maintained at 14.0%.

**10. RELATED PARTY TRANSACTIONS**

**a) Transfers from Members of the Legislative Assembly Superannuation Account**

	1993	1992
	(\$ Thousands)	
Present value of MLA allowances granted	\$ -	\$9,182
Contributions for indexing supplements	67	65
	<u>\$67</u>	<u>\$9,247</u>

**PUBLIC SERVICE SUPERANNUATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1993**

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**10. RELATED PARTY TRANSACTIONS (continued)**

**a) Transfers from Members of the Legislative Assembly Superannuation Account (continued)**

When a Member of the Legislative Assembly (MLA) is granted a superannuation allowance, the present value of the allowance is transferred from the Members of the Legislative Assembly Superannuation Account (the Account) to the Public Service Superannuation Plan (the Plan), and monthly benefits are paid from the Plan. Amounts are also transferred to the Plan each year to fund the payment of related indexing supplements.

During the year ended March 31, 1993, no MLA's (1992-20) were granted superannuation allowances.

When a former MLA is re-elected to the Legislature he or she ceases to receive an allowance, and an amount equal to the present value of his or her allowance is transferred from the Plan back to the Account.

During the year, \$39,211 (1992 - \$22,589) was paid by the Account to the Plan, leaving a balance of \$27,768 (1992 - \$9,224,535) due from the Members of the Legislative Assembly Superannuation Account at year end.

**b) Administration Costs**

General administration costs incurred by the Superannuation Commission are prorated and charged to each pension plan under its administration based primarily on the relative numbers of members in each plan. General administration costs include all salary and other operating and administration costs, including furniture and equipment purchases and computer systems development costs, which are expensed as they are incurred.

**c) Investments**

The Minister of Finance and Corporate Relations of British Columbia manages investments on behalf of the Plan. This is done through the Provincial Treasury which allocates and charges the costs to the Plan.

**11. PENSION BENEFITS STANDARDS ACT**

On January 1, 1993, the *Pension Benefits Standards Act* (PBSA) came into effect. The legislation altered the Public Service Superannuation Plan only in those areas where the Plan currently fell short of the new standards.

The legislation has no significant effect on the obligation for accrued pension benefits as calculated to March 31, 1993 (Note 8).



**PUBLIC SERVICE SUPERANNUATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1993**

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**12. RECLASSIFICATION**

Certain prior year's amounts have been reclassified to be consistent with current year's presentation.



**Teachers' Pensions Plan**

Auditor General of British Columbia

8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

(604) 387-6803  
Fax (604) 387-1230

**AUDITOR'S REPORT**

*To the Superannuation Commissioner, Trustee, and*

*To the Minister of Government Services,  
Province of British Columbia:*

I have audited the statement of net assets available for benefits of the Teachers' Pension Plan as at December 31, 1992 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Superannuation Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 1992 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

A handwritten signature in black ink, reading 'George L. Morfitt'.

George L. Morfitt, FCA  
Auditor General

*Victoria, British Columbia  
July 8, 1993*



Province of  
British Columbia

Superannuation  
Commission

548 Michigan Street  
Victoria  
British Columbia  
V8V 4R5  
Telephone: (604) 387-1002  
Facsimile: (604) 387-4199

OFFICE OF THE  
COMMISSIONER

IN REPLY REFER TO .....

## TEACHERS' PENSION PLAN

### ADMINISTRATOR'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Teachers' Pension Plan were prepared by the management of the Superannuation Commission, which is responsible for the integrity and fairness of the data presented, including significant accounting judgements and estimates. This responsibility includes selecting appropriate accounting principles consistent with generally accepted accounting principles in Canada. Other financial information contained in the Annual Report for the Plan conforms to these financial statements.

In discharging its responsibility for the integrity and fairness of the financial statements, the Superannuation Commission maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded.

The firm of Eckler Partners Ltd. has been appointed independent consulting actuaries to the Plan. Their role is to complete an actuarial valuation of the obligations for pension benefits which are included in the financial statements of the Plan, in accordance with generally accepted actuarial principles.

The Auditor General of British Columbia has performed an independent audit of the financial statements of the Plan in accordance with generally accepted auditing standards. His Auditor's Report outlines the scope of this independent audit and the opinion expressed.

JOHN W. COOK, F.C.I.A.,  
Superannuation Commissioner, Trustee

P. LOUISE YOUNG, C.A.,  
Director, Finance  
Superannuation Commission

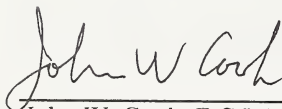
July 8, 1993

**TEACHERS' PENSION PLAN**  
**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**  
*(\$ Thousands)*

December 31	1992	1991
<b>ASSETS</b>		
Investments (Note 3)	\$3,990,312	\$3,724,723
Receivables		
Members' contributions	12,463	14,721
Employers' contributions	17,183	20,472
Accrued investment income	44,227	38,596
Other	381	20
	<u>74,254</u>	<u>73,809</u>
Cash	243	395
<b>Total Assets</b>	<u>4,064,809</u>	<u>3,798,927</u>
 <b>LIABILITIES</b>		
Accounts payable and accrued expenses	4,675	4,132
Due to investment dealers (net)	10,414	1,873
<b>Total Liabilities</b>	<u>15,089</u>	<u>6,005</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<u>\$4,049,720</u>	<u>\$3,792,922</u>

Obligations for Pension Benefits (Note 7)

The eleven accompanying notes are an integral part of these financial statements.



John W. Cook, F.C.I.A.,  
 Superannuation Commissioner  
 Trustee



P. Louise Young, C.A.  
 Director, Finance  
 Superannuation Commission

**TEACHERS' PENSION PLAN**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
*(\$ Thousands)*

For the year ended December 31	Inflation		Totals	
	Basic Account	Adjustment Account	1992	1991
<b>INCREASE IN ASSETS</b>				
Net investment income (Note 4)	\$ 216,520	\$ 29,158	\$ 245,678	\$ 280,014
Current change in market value	(85,831)	1,034	(84,797)	239,292
	130,689	30,192	160,881	519,306
Contributions (Note 8)				
Members'				
Current service	97,906	17,800	115,706	107,370
Past service	1,656	64	1,720	1,348
	99,562	17,864	117,426	108,718
Employers'				
Current service	145,966	17,800	163,766	151,981
Early retirement (Note 5)	2,062	483	2,545	5,809
Past service	423	64	487	421
	148,451	18,347	166,798	158,211
Transfers from other plans	1,718	29	1,747	2,352
<b>Total Increase in Assets</b>	<b>380,420</b>	<b>66,432</b>	<b>446,852</b>	<b>788,587</b>
<b>DECREASE IN ASSETS</b>				
Pension benefits paid				
Contributory	133,404	-	133,404	127,125
Indexing supplements	49,735	-	49,735	42,739
	183,139	-	183,139	169,864
Refunds of contributions	3,328	469	3,797	4,809
Transfers to other plans	363	27	390	1,180
Administration costs and actuarial fees	2,728	-	2,728	2,719
<b>Total Decrease in Assets</b>	<b>189,558</b>	<b>496</b>	<b>190,054</b>	<b>178,572</b>
<b>INCREASE IN NET ASSETS BEFORE TRANSFERS</b>				
	190,862	65,936	256,798	610,015
Account transfers (Note 6)	50,590	(50,590)	-	-
<b>INCREASE IN NET ASSETS</b>	<b>241,452</b>	<b>15,346</b>	<b>256,798</b>	<b>610,015</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>				
<b>AT BEGINNING OF YEAR</b>	<b>3,370,599</b>	<b>422,323</b>	<b>3,792,922</b>	<b>3,182,907</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>				
<b>AT END OF YEAR</b>	<b>\$3,612,051</b>	<b>\$ 437,669</b>	<b>\$4,049,720</b>	<b>\$3,792,922</b>

**TEACHERS' PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

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**1. DESCRIPTION OF THE TEACHERS' PENSION PLAN**

The following brief description of the Teachers' Pension Plan (the Plan) is provided for general information only. For more information refer to the *Pension (Teachers) Act*.

**a) General**

The Plan is a defined benefit pension plan open to all certified teachers and to superintendents or assistant superintendents appointed by a board of school trustees in the British Columbia public school system.

**b) Pension Benefits**

Members are eligible for an unreduced pension benefit if they retire:

- at age 55, with a minimum of 35 years contributory service;
- at age 60, with a minimum of 10 years contributory service; or
- at age 65.

A reduced pension is available on retirement:

- at age 55, with a minimum of 10 years contributory service; or
- at age 60, with less than 10 years contributory service.

A member retiring on an unreduced pension receives an annual pension of 2% of the member's highest 5-year average annual salary multiplied by years of pensionable service, to a maximum of 35 years. At age 65, or date of death or disability, if earlier, there is a reduction in the formula as a result of integration with the Canada Pension Plan.

Increases to pension payments are provided each January 1st in accordance with the indexing provisions of the Plan. These increases are based on the annual increase in the Consumer Price Index (CPI) as at the previous September 30th, and are subject to availability of funds in the Inflation Adjustment Account (Note 6).

At January 1, 1992 pensioners received a full CPI increase of 5.4% (1991 - 4.2%).

**c) Termination and Portability Benefits**

A terminating member may choose between leaving accumulated contributions on deposit or obtaining a refund. The refund includes interest credited. Members who leave contributions in the Plan, if otherwise eligible, are entitled to deferred pension benefits. The highest 5-year average salary used in the deferred benefit calculation is adjusted for cost of living changes during the deferral period, at the time the pension is granted. Those members not withdrawing contributions may carry certain pension rights to other pension plans that have portability arrangements with the Teachers' Pension Plan. New members may also, under portability arrangements, transfer contributions and service from other plans to increase pension benefits under the Teachers' Pension Plan.



**TEACHERS' PENSION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1992**

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**1. DESCRIPTION OF THE TEACHERS' PENSION PLAN (continued)**

**d) Other Benefits**

Disability and survivor benefits are available under the Plan.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Presentation**

These financial statements have been prepared on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity, independent of the Plan's contributing employers and members.

**b) Investments**

Investments are stated at market value. Market value for units is calculated by the Provincial Treasury, Ministry of Finance and Corporate Relations of British Columbia, and is based on the market value of net assets of the relevant portfolio, divided by the total number of units outstanding. The market value of net assets for each portfolio is derived from external quotations or appraisals. Investment purchases and sales are recorded on trade date.

**3. INVESTMENTS**

	Market Value	
	1992	1991
	(\$ Thousands)	
Bonds		
Government	\$1,533,957	\$1,585,770
Real estate	4,706	3,551
	<u>1,538,663</u>	<u>1,589,321</u>
Equities	150	150
Units in Province of British Columbia		
Pooled Investment Portfolios		
Money Market Pools	357,713	423,528
Canadian Bond Pools	240,965	100,776
Canadian Equity Pools	1,412,921	1,236,302
International Equity Pools	264,466	263,608
Real Estate Pool	175,434	111,038
	<u>2,451,499</u>	<u>2,135,252</u>
	<u>\$3,990,312</u>	<u>\$3,724,723</u>



TEACHERS' PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992

3. INVESTMENTS (continued)

Government bonds are those issued or guaranteed by federal, provincial or municipal governments, with terms of one year or more.

Units are held in several Province of British Columbia Pooled Investment Portfolios managed by the Provincial Treasury. Each unit gives its holder a proportionate share in the equity of the Portfolio. The money market pools invest mainly in Canadian money market securities, such as treasury bills, with terms of one year or less. The equities pools invest primarily in publicly traded shares and the bond pools in Canadian government and corporate bonds. The real estate pools invest primarily in Western Canadian properties.

Details of investments held by the pools can be found in the pools' financial statements, published annually in the Public Accounts of the Province of British Columbia.

4. INVESTMENT INCOME

	1992			1991
	Basic Account	Inflation Adjustment Account	Total	Total
	(\$ Thousands)			
Bonds				
Government	\$125,422	\$21,286	\$146,708	\$171,161
Real estate	237	-	237	22
	125,659	21,286	146,945	171,183
Units in Province of British Columbia				
Pooled Investment Portfolios				
Money Market Pools	19,204	6,045	25,249	64,223
Canadian Bond Pool	12,841	1,862	14,703	2,009
Canadian Equity Pools	42,302	42	42,344	24,993
International Equity Pools	10,502	-	10,502	16,705
Real Estate Pool	8,673	-	8,673	3,457
	93,522	7,949	101,471	111,387
	\$219,181	\$29,235	\$248,416	\$282,570
Investment management fees (Note 9)	(2,661)	(77)	(2,738)	(2,556)
Net investment income	\$216,520	\$29,158	\$245,678	\$280,014

Income from each unit pool is calculated by Provincial Treasury and reinvested within the pool.

**TEACHERS' PENSION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1992**

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**5. EARLY RETIREMENT PLAN**

An amendment to the Pension (Teachers) Act in 1988 provided a "55 and Out" Early Retirement Plan for eligible teachers who retired during the period from April 1, 1987 to June 30, 1989.

The "55 and Out" Early Retirement Plan provided an incentive for teachers between the ages of 55 and 60 to retire early by removing the pension reduction of 5% for each year of early retirement under age 60. The province, on behalf of school districts, and the British Columbia Teachers Federation have agreed to pay amounts to the fund to offset the cost of this plan provision. The amounts paid each year will be the greater of the salary savings resulting from replacing the retiring teacher with a teacher paid at a lower salary or a fixed schedule of actuarially determined payments until such time as the full amount has been paid. For the year ended December 31, 1992 \$2,545,467 (1991 - \$5,808,506) was due and received from the Province. No amounts were due from the Federation for either the year ended December 31, 1992 or December 31, 1991.

An additional \$898,077 (1991- \$3,126,870) will be paid by the Province in respect of teachers who have elected to participate in the Plan.

**6. ACCOUNT TRANSFERS**

	1992		1991	
	Basic Account	Inflation Adjustment Account	Basic Account	Inflation Adjustment Account
	<i>(\$Thousands)</i>			
Present value of current indexing supplements	\$82,323	\$(82,323)	\$59,236	\$(59,236)
Indexing of deferred pensions	1,844	(1,844)	1,460	(1,460)
Excess interest	(33,571)	33,571	(49,703)	49,703
Other	(6)	6	(11)	11
	<u>\$50,590</u>	<u>\$(50,590)</u>	<u>\$10,982</u>	<u>\$(10,982)</u>

A separate account is maintained for funding current and future indexing supplements. This Inflation Adjustment Account is funded through a portion of ongoing contributions from employers and members (Note 8), from investment income earned on its own assets, and from excess interest earned in the Basic Account.

**TEACHERS' PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

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**6. ACCOUNT TRANSFERS (continued)**

Excess interest is defined as investment income earned on Basic Account assets in respect of pensions being paid, and that is in excess of the rate of return used by the actuary in valuing the Plan's liabilities. Excess interest is transferred from the Basic Account to the Inflation Adjustment Account annually.

When a deferred pension is granted the present value of cost of living changes during the deferral period is transferred from the Inflation Adjustment Account to the Basic Account, as pensions are granted.

All pension payments are made from the Basic Account and each year, as indexing supplements are made to members' pension payments, monies are transferred from the Inflation Adjustment Account to the Basic Account to cover the present value of all future payments arising from the current indexing supplements.

**7. OBLIGATIONS FOR PENSION BENEFITS**

**a) Accrued Pension Benefits**

The present value of accrued basic pension benefits was determined using the projected benefit method prorated on service. Accrued basic pension benefits include all indexing granted to the date of valuation, but not future indexing. An actuarial valuation was made as of December 31, 1990 by Eckler Partners Ltd., a firm of consulting actuaries, and was then extrapolated to December 31, 1991 and 1992, using the administrator's best estimate assumptions.

The present values of basic accrued pension benefits, and the main changes in the present values of benefits, are as follows:

	<u>1992</u>	<u>1991</u>
	<i>(\$ Thousands)</i>	
Actuarial present value of accrued pension benefits at beginning of the year	\$5,078,000	\$4,666,592
Present value of current indexing supplements	84,167	60,696
Benefits accrued	230,213	216,168
Benefits paid	(186,467)	(174,097)
Interest accrued on benefits	336,963	308,641
Extrapolated present value of accrued pension benefits at end of the year	<u>\$5,542,876</u>	<u>\$5,078,000</u>

**TEACHERS' PENSION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1992**

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**7. OBLIGATIONS FOR PENSION BENEFITS (continued)**

**a) Accrued Pension Benefits (continued)**

The assumptions used in determining the actuarial value of accrued pension benefits were developed by reference to expected long-term market conditions. Significant long-term assumptions used in the actuarial valuation and the extrapolation were:

	<u>1992</u>	<u>1991</u>
Asset rate of return	7.0%*	7.0%*
Salary escalation rate	5.0%	5.0%

\* Returns in excess of 6.5% during the post-retirement period are credited to the Inflation Adjustment Account.

**b) Assets**

The actuarial value of the Basic Account assets available for benefits has also been determined with reference to long-term market trends (consistent with assumptions underlying the valuation of the accrued pension benefits). The actuarial asset value was based on a five year smoothing of market value changes. The actuarial asset value used in the latest valuation was extrapolated to December 31, 1991 and 1992 using the administrator's best estimate assumptions.

The actuarial asset value calculated as at December 31, 1990 was:

	<i>(\$ Thousands)</i>
Market value of Basic Account assets available for benefits as at December 31, 1990	\$2,827,971
Market value changes not reflected in actuarial value of net assets	<u>(98,010)</u>
Actuarial value of Basic Account assets available for benefits as at December 31, 1990	<u><u>\$2,729,961</u></u>

**TEACHERS' PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

**7. OBLIGATIONS FOR PENSION BENEFITS (continued)**

**b) Assets (continued)**

The extrapolated asset values to December 31, 1992 are as follows:

	1992	1991
	(\$Thousands)	
Actuarial value of Basic Account assets at beginning of the year	\$3,032,542	\$2,729,961
Present value of current indexing supplements	84,167	60,696
Employee and employer contributions	248,013	232,685
Benefits paid	(186,467)	(174,097)
Expected earnings	204,586	183,297
Extrapolated value of Basic Account assets at end of the year	<u>\$3,382,841</u>	<u>\$3,032,542</u>

**c) Net Deficiency**

The valuation as at December 31, 1990 indicated a \$1.94 billion net deficiency of accrued basic pension benefits over assets. Extrapolations to December 31, 1992 project the net deficiency to have increased to \$2.16 billion.

**8. FUNDING POLICY**

**a) Contributions**

Contributions are made to both the Basic Account and the Inflation Adjustment Account.

The statutory contribution rate to the Basic Account is:

- 5.0% of employees' pensionable salary up to and including the Canada Pension Plan's Year's Maximum Pensionable Earnings (YMPE) (\$32,200 in 1992)
- 6.5% of employees' pensionable salary exceeding YMPE.

These contributions are made by members and are matched by employers. The employers pay an additional 2.7% of salary so that the combined contribution rate to the Basic Account is 15.7% (integrated with YMPE).



**TEACHERS' PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

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**8. FUNDING POLICY (continued)**

**a) Contributions (continued)**

In addition, 1% of salary from employers and members (i.e., a total of 2%) is credited to the Inflation Adjustment Account to help provide for the payment of indexing supplements (Note 6).

**b) Actuarial Valuation for Funding Purposes**

An actuarial valuation of the Plan's assets and pension obligations is performed every three years to determine an appropriate combined employer and member contribution rate to fund the Plan. The actuary's valuation for funding purposes, and the recommended contribution rate is calculated using a level contribution funding method. This method expresses contributions as a constant percentage of future payrolls that, together with estimated future investment earnings, will finance the benefits for a typical new entrant to the Plan and will maintain the unfunded liability as a constant percentage of future payrolls.

The most recent actuarial valuation for funding purposes was prepared as of December 31, 1990. This valuation disclosed an unfunded liability for basic pension benefits of \$1.88 billion compared to \$1.61 billion as of December 31, 1987, the date of the previous valuation. The actuary stated that he did not see the increase of approximately \$270 million in the unfunded liability as a threat to the continued payment of pensions to current and prospective pensioners.

He did, however, recommend that the statutory contribution rate for basic pension benefits be increased from the current combined maximum rate of 15.70% of total salaries to 17.23%. For 1992, the combined maximum contribution rate to the Basic Account was maintained at 15.70%.

**9. RELATED PARTY TRANSACTIONS**

**a) Administration Costs**

General administration costs incurred by the Superannuation Commission are prorated and charged to each pension plan under its administration based primarily on the relative numbers of members in each plan. General administration costs include all salaries and other operating and administration costs, including furniture and equipment purchases, and computer systems development costs which are expensed as they are incurred.



**TEACHERS' PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

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**9. RELATED PARTY TRANSACTIONS (continued)**

**b) Investment Fees**

The Minister of Finance and Corporate Relations of British Columbia has statutory responsibility for managing investments on behalf of the Plan. This is done through the Provincial Treasury, which allocates and charges costs to the Plan.

**10. PENSION BENEFITS STANDARDS ACT**

On January 1, 1993, the *Pension Benefits Standards Act* (PBSA) comes into effect. The legislation alters the Teachers' Pension Plan only in those areas where the plan currently falls short of the new standards.

The legislation has no significant effect on the obligation for accrued pension benefits as calculated to December 31, 1992 (Note 7).

**11. RECLASSIFICATION**

Certain prior year's amounts have been reclassified to be consistent with current year's presentation.

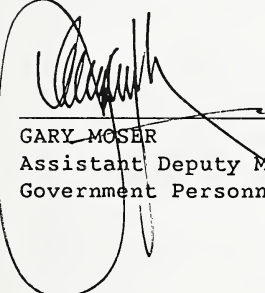
# British Columbia Public Service Long Term Disability Fund

## BRITISH COLUMBIA PUBLIC SERVICE LONG TERM DISABILITY FUND

### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of Government Personnel Services Division is responsible for the preparation, integrity and objectivity of the British Columbia Public Service Long Term Disability Fund's financial statements in accordance with the accounting principles described in note 2 to the financial statements, and for the financial information included in the Annual Report.


Government Personnel Services Division maintains the necessary systems of internal control to provide assurance that transactions are authorized, assets are safeguarded and that proper corporate and plan member records are maintained.



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GARY MOSER

Assistant Deputy Minister  
Government Personnel Services Division



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ROSEANN WHITTON

Manager, Finance and Administration  
Government Personnel Services Division

**BRITISH COLUMBIA PUBLIC SERVICE**  
**LONG TERM DISABILITY PLAN**  
**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**  
**AS AT MARCH 31, 1993**  
**(Unaudited)**

	1993	1992
	(\$ Thousands)	
<b>ASSETS</b>		
Investments (Note4)	100,293	88,209
Receivables		
Member's contributions	3,560	1,595
Accrued investment income	1,786	2,596
Other	171	65
	<u>5,517</u>	<u>4,256</u>
Cash	373	168
<b>Total Assets</b>	<b>106,183</b>	<b>92,633</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	5,520	3,106
<b>Total Liabilities</b>	<b>5,520</b>	<b>3,106</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>100,663</b>	<b>89,527</b>

Obligations for Disability Benefits (Note6)

The eight accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA PUBLIC SERVICE  
LONG TERM DISABILITY PLAN  
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
AS AT MARCH 31, 1993  
(Unaudited)

	Totals	
For the year ended March 31	1993	1992
<b>INCREASE IN ASSETS</b>	(\$ Thousands)	
Employers Contributions	18,535	17,133
Investment income (Note5)	9,663	8,606
Current period change in market value	1,315	1,134
	10,978	9,740
<b>Total Increase in Assets</b>	<b>29,513</b>	<b>26,873</b>
<b>DECREASE IN ASSETS</b>		
Claims Payments	15,814	14,743
Contributions to other employee benefit plans	1,719	1,604
Claims administration	310	313
Claims Review Committee	79	95
Rehabilitation programs	455	511
<b>Total Decrease in Assets</b>	<b>18,377</b>	<b>17,266</b>
<b>INCREASE IN NET ASSETS</b>	<b>11,136</b>	<b>9,607</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR</b>	<b>89,527</b>	<b>79,920</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR</b>	<b>100,663</b>	<b>89,527</b>

## BRITISH COLUMBIA PUBLIC SERVICE

## LONG TERM DISABILITY PLAN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1993

## 1. DESCRIPTION OF THE LONG TERM DISABILITY PLAN

The following description of the Long Term Disability Plan is provided for general information only. However, for more complete information, reference should be made to the Public Service Benefit Plan Act.

## a) General

The Plan is paid for by the participating employers and provides for the continuation of income in the event that an eligible employee of the Province of British Columbia or sponsoring organization becomes totally disabled due to illness or injury.

## b) Contributions

The Province of British Columbia's contributions match its share of the expenditures from the Plan. Sponsoring organizations contribute a percentage (.25% - 1.5%) or their employees' salaries to the Plan, as determined by the Government Personnel Services Division.

## c) Disability Benefits

Benefits are payable to a disabled employee after the employee has been totally disabled for at least seven months. Upon application and approval by the Plan claims administrator, Great West Life Assurance Company, a monthly benefit of 68.3% on the first \$2,200 of monthly earnings and 50% of monthly earnings above that amount is paid. Benefits are paid as long as the employee remains totally disabled and cease on the date the employee recovers, or at the end of the month in which the employee reaches normal retirement age, resigns or dies, whichever event occurs first.

Employees on long term disability continue to be covered by the Group Life Insurance Plan, Dental Plan, Extended Health Care Plan and Medical Services Plan. Any required employee contributions to these plans are paid by the Long Term Disability Plan on behalf of the employee.

## BRITISH COLUMBIA PUBLIC SERVICE

## LONG TERM DISABILITY PLAN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1993

## 2. SIGNIFICANT ACCOUNT POLICIES

## a) Basis of Presentation

These financial statements have been prepared on the accrual basis of accounting and present the Fund as a separate financial reporting entity, independent of the Fund's Contributing employers.

## b) Investments

Investments are shown at their market value. Market value for units is calculated by the Provincial Treasury, Minister of Finance and Corporate Relations of British Columbia, and is based on the market value of the net assets of the relevant portfolio, divided by the total number of units outstanding. The market value or net assets for each portfolio is derived from external quotations of appraisals. Investment purchases and sales are recorded on trade date.

## 3. CHANGE IN ACCOUNTING POLICY

Effective this fiscal year, the basis of valuation for investments was changed from adjusted cost to market value (See Note 2). In previous years, units in the Province of British Columbia Pooled Investment Portfolios were recorded at cost adjusted by the income attributed to the units. Long-term investments were recorded at cost adjusted by the amortization of discounts and premiums on a constant yield basis over the remaining terms of the investments. Realized gains and losses on disposal were calculated using adjusted cost in the year of disposal.

This change has been applied on a retroactive basis and previous years results have been restated. The effect of the change is as follows:



BRITISH COLUMBIA PUBLIC SERVICE

LONG TERM DISABILITY PLAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1993

(a) Increase in investment income:

	(\$ Thousands)
1991 and prior years	\$1,836
1992	1,134
1993	1,315

(b) Increase in net amounts at beginning of year:

	<u>1993</u>	<u>1992</u>
	(\$ Thousands)	
Net assets at beginning of year, as previously reported	\$86,557	\$78,084
Increase in investments	<u>2,970</u>	<u>1,836</u>
Net assets at beginning of year, as restated	<u>\$89,527</u>	<u>\$79,920</u>

4. INVESTMENTS

	<u>MARKET VALUE</u>	
	<u>1993</u>	<u>1992</u>
	(\$ Thousands)	
Units in Province of British Columbia		
Money market pools	\$30,426	\$30,164
Bonds	<u>69,867</u>	<u>58,045</u>
	<u>\$100,293</u>	<u>\$88,209</u>

Units are held in Province of British Columbia Pooled Investment Portfolios managed by the Provincial Treasury. Each unit gives its holder a proportionate share in the equity of the Portfolio. The money market pools invest mainly in Canadian money market securities, such as treasury bills, with terms of one year or less. Details of investments held by the pools can be found in the pools' financial statements, published annually in the Public Accounts of the Province of British Columbia.

Bonds held consist of debentures issued or guaranteed by federal, provincial or municipal governments with terms of one year or more.

## BRITISH COLUMBIA PUBLIC SERVICE

## LONG TERM DISABILITY PLAN

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 1993

## 5. INVESTMENT INCOME

	<u>1993</u>	<u>1992</u>
	(\$ Thousands)	
Units in Province of British Columbia		
Money market pools	\$2,506	\$1,859
Bonds	5,631	6,747
Net realized gains during the year	<u>1,526</u>	<u>6,747</u>
	<u>9,663</u>	<u>8,606</u>

## 6. OBLIGATIONS FOR DISABILITY BENEFITS

An actuarial valuation of the adequacy of the Fund to meet the obligations of the Long Term Disability Plan was carried out as at March 31, 1990 by William M. Mercer Limited, a firm of consulting actuaries. This most recent valuation based on a number of assumptions, disclosed an unfunded liability of \$34,128,000 as at March 31, 1990, compared to \$22,166,000 as at March 31, 1987, the date of the previous valuation. Further, a valuation as at March 31, 1993 is currently being performed but has not been completed in time for these statements.

## 7. RELATED PARTY TRANSACTIONS

- (a) General administration costs incurred by Government Personnel Services Division are paid by the Province of British Columbia. General administration costs include a portion of salary and other operating and administration costs, including furniture and equipment purchases and computer systems development cost, which are expensed as they are incurred.
- (b) The Minister of Finance and Corporate Relations of British Columbia manages investments on behalf of the Fund. This is done through Provincial Treasury which allocates and charges costs to the Province of British Columbia.

## 8. COMPARATIVE FIGURES

Certain prior year's amounts have been reclassified to be consistent with current year's presentation.

**Credit Union Deposit Insurance Corporation of British Columbia****Deloitte &  
Touche**

Suite 2000  
1055 Dunsmuir Street  
P.O. Box 49279  
Four Bentall Centre  
Vancouver, British Columbia  
V7X 1P4

Telephone: (604) 669-4466  
Facsimile: (604) 685-0395

**AUDITORS' REPORT**

To the Board of Directors  
Credit Union Deposit Insurance Corporation of British Columbia

We have audited the balance sheet of Credit Union Deposit Insurance Corporation of British Columbia as at March 31, 1993 and the statements of earnings and accumulated earnings and changes in cash resources for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles. As required by the Financial Institutions Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

*Deloitte & Touche*

Chartered Accountants

Vancouver, British Columbia  
May 14, 1993

## BALANCE SHEET

## ASSETS

## CASH

## ACCOUNTS RECEIVABLE

## INVESTMENTS

Securities at amortized cost  
(market value \$99,703,286; 1992, \$96,922,088)  
Accrued Interest

## FINANCIAL ASSISTANCE (note 2)

Equity Shares and Subordinated Loans and  
Debentures to Credit Unions  
Mortgage Loans

	March 31 1993	March 31 1992
CASH	\$ 41,470	\$ (36,384)
ACCOUNTS RECEIVABLE	49,268	1,088,291
INVESTMENTS		
Securities at amortized cost	94,362,522	95,261,172
(market value \$99,703,286; 1992, \$96,922,088)		
Accrued Interest	1,026,408	1,188,767
	<u>\$ 95,388,930</u>	<u>\$ 96,449,939</u>
FINANCIAL ASSISTANCE (note 2)		
Equity Shares and Subordinated Loans and		
Debentures to Credit Unions	607,487	10,607,487
Mortgage Loans	60,444	132,551
	<u>\$ 667,931</u>	<u>\$ 10,740,038</u>
	<u>\$ 96,147,599</u>	<u>\$ 108,241,884</u>

APPROVED BY THE BOARD



Director



Director

## LIABILITIES AND ACCUMULATED EARNINGS

## ACCOUNTS PAYABLE AND ACCRUALS

## ACCRUED DEBENTURE INTEREST

## INCOME TAX PAYABLE

## PROVISION FOR FINANCIAL ASSISTANCE (note 2)

## DEBENTURES ISSUED TO CREDIT UNIONS (note 3)

## ACCUMULATED EARNINGS

	March 31 1993	March 31 1992
ACCOUNTS PAYABLE AND ACCRUALS	\$ 620,740	\$ 541,917
ACCRUED DEBENTURE INTEREST	2,077,017	1,405,721
INCOME TAX PAYABLE	500,782	0
PROVISION FOR FINANCIAL ASSISTANCE (note 2)	2,232,000	2,282,000
DEBENTURES ISSUED TO CREDIT UNIONS (note 3)	46,355,486	66,235,901
ACCUMULATED EARNINGS	44,361,574	37,776,345
	<u>\$ 96,147,599</u>	<u>\$ 108,241,884</u>

COMMITMENTS (note 5)  
See accompanying notes to financial statements.

**CREDIT UNION DEPOSIT INSURANCE CORPORATION OF BRITISH COLUMBIA****STATEMENT OF EARNINGS AND ACCUMULATED EARNINGS**

	Year Ended March 31, 1993	Year Ended March 31, 1992
Revenue		
Investments	\$ 10,051,700	\$ 11,219,275
Assessments	0	0
Interest on assigned loans	16,512	27,545
Recoveries of financial assistance	4,413,017	3,507,125
Dividends on equity shares (note 2)	2,816,230	0
Other	29,483	277,795
	<u>\$ 17,326,942</u>	<u>\$ 15,031,740</u>
Expenditures		
Debenture interest	7,435,862	5,324,653
Financial assistance (note 2)	286,133	(3,836,890)
Administration	2,336,050	2,697,923
Lease commitment	40,608	40,898
Investment managers' fee	142,278	124,185
Past service pension contribution	0	128,422
	<u>\$ 10,240,931</u>	<u>\$ 4,479,191</u>
NET EARNINGS BEFORE INCOME TAX	<u>7,086,011</u>	<u>10,552,549</u>
Income tax (note 4)	(500,782)	0
NET EARNINGS	<u>6,585,229</u>	<u>10,552,549</u>
Accumulated earnings at beginning of year	37,776,345	27,223,796
ACCUMULATED EARNINGS AT END OF YEAR	<u><u>\$ 44,361,574</u></u>	<u><u>\$ 37,776,345</u></u>

See accompanying notes to financial statements.

## CREDIT UNION DEPOSIT INSURANCE CORPORATION OF BRITISH COLUMBIA

## STATEMENT OF CHANGES IN CASH RESOURCES

	Year Ended March 31, 1993	Year Ended March 31, 1992
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Net earnings	\$ 6,585,229	\$ 10,552,549
Items not involving cash		
Decrease in provision for financial assistance, charged to earnings	0	(3,840,140)
Changes in non-cash balances relating to operations		
Accounts receivable and accounts payable	1,789,142	3,674,997
Income tax payable	500,782	0
Equity shares and subordinated loans and debentures to credit unions	10,000,000	484,184
Mortgage loans	72,107	61,162
Provision for financial assistance payments to credit unions	(50,000)	(343,259)
	<u>\$ 18,897,260</u>	<u>\$ 10,589,493</u>
FINANCING ACTIVITIES		
Issuance of debentures	195	64,359
Redemption of debentures	(19,880,610)	(19,506,572)
	<u>(19,880,415)</u>	<u>(19,442,213)</u>
Decrease) in cash resources	(983,155)	(8,852,720)
Cash resources at beginning of year	96,413,555	105,266,275
CASH RESOURCES AT END OF YEAR	<u>\$ 95,430,400</u>	<u>\$ 96,413,555</u>

(Cash resources is defined as cash and investments including accrued interest).

See accompanying notes to financial statements.



**CREDIT UNION DEPOSIT INSURANCE CORPORATION OF BRITISH COLUMBIA****SCHEDULE OF ADMINISTRATION EXPENSES**

	Year Ended March 31, 1993	Year Ended March 31, 1992
Audit	\$ 9,500	\$ 9,000
Directors' fees	4,458	4,205
Insurance	0	767
Legal	0	774
Office operations	242,181	408,670
Office rent	314,657	312,031
Professional services, other	93,422	174,378
Publications and communications	56	1,584
Salaries and employee benefits	1,613,672	1,706,389
Travel costs	58,104	80,125
	<u>\$ 2,336,050</u>	<u>\$ 2,697,923</u>

# CREDIT UNION DEPOSIT INSURANCE CORPORATION OF BRITISH COLUMBIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 1993

### OPERATIONS

Credit Union Deposit Insurance Corporation (CUDIC) operates as an independent entity from within the Financial Institutions Commission (FICOM) under the provisions of Financial Institutions Act (FIA). The mandate of CUDIC is to guarantee deposits and non-equity shares of members of British Columbia credit unions up to the limits prescribed by the FIA. To meet this objective, CUDIC undertakes administrative and regulatory functions as set out in the FIA, and may provide financial assistance to credit unions which have come under its supervision.

An agreement is in place between CUDIC and the Stabilization Central Credit Union (SCCU), whereby CUDIC may delegate certain of these responsibilities to SCCU, and where future financial assistance payments will initially be made by SCCU.

The amount, timing and form of assistance which may be required for credit unions under supervision is dependent on future events and outcomes. Three outcomes requiring assistance are rehabilitation, merger or liquidation of credit unions. In the event of a liquidation, CUDIC's liability to depositors is limited to the prescribed limits of the FIA. Provision for financial assistance in amounts determined to be likely as well as a general provision are provided in these financial statements.

CUDIC is empowered to assess credit unions and to issue debentures to them to raise additional funds if such funds are required for assistance. In recognition of the sharing of this responsibility between SCCU and CUDIC, required minimum levels of equity for each corporation have been agreed upon. CUDIC is not planning to assess credit unions in 1993 as the required level of Deposit Insurance Fund was attained in

1991/92 fiscal year. The equity in SCCU was \$29,103,642 at December 31, 1992 (1991 - \$14,510, 153).

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Investments

All CUDIC investments are made through investment managers according to a specific policy approved by the Board of Directors. Premiums and discounts arising at the time of purchase of marketable securities are amortized over the period to maturity.

### (b) Financial Assistance to Credit Union

CUDIC's policy for providing for losses on purchases of equity shares of credit unions and on conditional loans, subordinated loans and subordinated debentures to credit unions is based on CUDIC's estimate of the probability of recovery of such investments and loans. Where deemed prudent, a general provision may also be provided.

All other financial assistance is recognized as an expense in the financial statements upon the earlier of disbursement of assistance or when such assistance has been determined to be likely and the amount can be reasonably estimated.

Mortgage loans and real estate held for disposal are carried at net realizable value. Value is attributed to third party loans received as a consequence of assistance given only where such loans are fully secured by a mortgage on real property. No value is attributed to unsecured loans or loans secured by other than real property. At March 31, 1993, the outstanding amount of loans which

have no carrying value but on which payments are being received is \$28,990 (March 31, 1992, \$32,818).

(c) Related Party Transactions

As indicated, CUDIC operates as an independent entity from within FICOM, a commission of the B.C. government. As such, all administrative expenses paid initially by FICOM are charged back to and paid by CUDIC on a monthly basis. The allocation of direct salaries to CUDIC is estimated based on the activities performed by FICOM staff on tasks pertinent to the mandate of CUDIC. Other expenses including overhead are allocated to CUDIC according to departmental averages and CUDIC's estimated share of activities in the department and/or organizational function.

2. FINANCIAL ASSISTANCE

(a) Assistance to Credit Unions

Details of assistance to credit unions are as follows:

	March 31, 1993	March 31, 1992
Subordinated debentures	\$ 657,487	\$ 657,487
Subordinated loans	150,000	150,000
Equity shares	0	10,000,000
	<u>\$ 807,487</u>	<u>\$ 10,807,487</u>
Less:		
Loan reserves	200,000	200,000
	<u>\$ 607,487</u>	<u>\$ 10,607,487</u>

During the year ended March 31, 1993, cumulative dividends of \$2,816,230 were declared and paid on equity shares, covering the period October 13, 1989 to June 30, 1992. Equity shares were redeemed on June 30, 1992.

None of the assets are currently interest bearing. One subordinate debenture of \$457,487 is scheduled for repayment within the next fiscal year.

At March 31, 1993, no credit unions (March 31, 1992, 3) were under supervision by CUDIC and responsibility for supervising 5 credit unions (March 31, 1992, 3) was delegated by CUDIC to SCCU.

(b) Provision for Financial Assistance

	Year Ended March 31, 1993	Year Ended March 31, 1992
Provision for financial assistance, beginning of period	\$ 2,282,000	\$ 6,465,399
Less payments to credit unions	(50,000)	(343,259)
Decrease in provision charged to earnings	<u>0</u>	<u>(3,840,140)</u>
Provision for financial assistance, end of period	<u>\$ 2,232,000</u>	<u>\$ 2,282,000</u>

(c) Financial Assistance Charged to Earnings

	Year Ended March 31, 1993	Year Ended March 31, 1992
Decrease in provision for financial assistance, charged to earnings	\$ 0	\$ (3,840,140)
Other assistance	<u>286,133</u>	<u>3,250</u>
Net financial assistance charged (recovered) to earnings	<u>\$ 286,133</u>	<u>\$ (3,836,890)</u>

### 3. DEBENTURES ISSUED TO CREDIT UNIONS

Debentures are issued to credit unions in accordance with provisions of FIA. The debentures are issued for a term of 25 years, are subject to earlier redemption, and may be re-issued before or at maturity at the option of CUDIC.

Interest on the debentures may be fixed from time to time at a rate not exceeding 18% per annum. Interest is accrued and paid based on rates set on August 1 of each year. Interest rates applicable to the years ended July 31, 1992, 1991, and 1990 have been 8 1/2, 5 1/2 and 5 1/2% respectively. Interest rate for the year ending July 31, 1993 has been set at 18%.

On July 31, 1992, \$19,880,415 of outstanding debentures were redeemed.

### 4. INCOME TAXES

CUDIC is taxed as a deposit insurance corporation and is subject to income tax on its income for tax purposes, which is defined generally to exclude assessments from and financial assistance (or recovery thereof) to credit unions.

	Year Ended <u>March 31, 1993</u>	Year Ended <u>March 31, 1992</u>
Estimated taxes on net income at statutory rate (22%)	\$ 1,558,923	\$ 2,321,561
Add (deduct) tax effect of:		
Non-taxable recoveries from credit unions	( 974,614)	( 771,568)
Non-deductible assistance to credit unions	62,949	( 844,116)
Application of tax losses carried forward from previous years	( 146,476)	( 705,877)
	<hr/>	<hr/>
Income taxes for the year	<u>\$ 500,782</u>	<u>\$ 0</u>



## 5. LEASE COMMITMENT

Commencing November 1, 1983, CUDIC entered into a ten year lease of office premises, with a five year renewal option. Minimum lease payments for the initial ten year period are \$250,416 per annum. In addition, CUDIC is liable to pay property taxes and operating costs. Minimum lease payments for the five year renewal period, should the option be exercised, will be based on fair market rental as of November 1, 1992 but in any case will not be less than the rent payable during the initial ten year term.

Effective January 1, 1990, CUDIC's lease was assigned by way of a lease assignment contract. CUDIC remains on the covenant for the remainder of the lease term which may extend to November 1, 1998. CUDIC's covenant is indemnified by the parent of the assignee.

## 6. LIQUIDITY

CUDIC maintains a line of credit in the amount of \$50,000,000 to meet short-term deposit insurance requirements. Any drawings against this line of credit would be secured by CUDIC's investments.

# AUDITOR'S REPORT



Auditor General of British Columbia

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8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

(604) 387-6803  
Fax (604) 387-1230

*To the Governors of the Workers' Compensation Board, and*

*To the Minister of Labour and Consumer Services  
and Minister Responsible for Constitutional Affairs,  
Province of British Columbia:*

I have audited the balance sheet of the Workers' Compensation Board as at December 31, 1992 and the statements of operations and unfunded liability and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 1992 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

A handwritten signature in dark ink, appearing to read "George L. Morfitt".

George L. Morfitt, F.C.A.  
Auditor General

Victoria, British Columbia  
March 1, 1993

## Workers' Compensation Board

### RESPONSIBILITY FOR FINANCIAL REPORTING

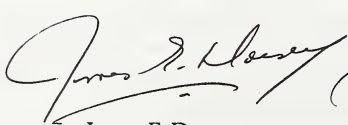
**M**anagement of the Workers' Compensation Board is responsible for the preparation of the accompanying financial statements in accordance with generally accepted accounting principles. These financial statements include some amounts based upon management's best estimates and judgments. Any financial information contained elsewhere in the Annual Report conforms to these financial statements.

Management is responsible for the integrity of the financial statements and has established systems of internal control to provide reasonable assurance that assets are properly accounted for and safeguarded from loss.

The Internal Audit and Evaluation Department performs audits designed to test the adequacy and consistency of the Board's internal controls, practices, and procedures.

The Auditor General of British Columbia, the external auditor of the Workers' Compensation Board, has performed an independent audit of the financial statements of the Board in accordance with generally accepted auditing standards. The Auditor's Report outlines the scope of this independent audit and his opinion on the financial statements of the Board.

The firm of Eckler Partners Ltd. has been appointed as the independent consulting actuaries to the Board. Their opinion on the adequacy and appropriateness of the valuation of the Board's benefits liabilities is presented as a part of these financial statements.



James E. Dorsey  
Chairman  
Board of Governors



Kenneth M. Dye, F.C.A.  
President and Chief  
Executive Officer



W.F.R. Evans, C.A.  
Vice-President  
Financial Services

March 8, 1993

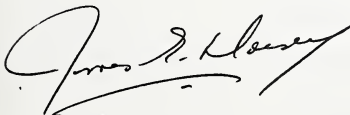
**Balance Sheet****As at December 31, 1992 (in \$,000's)****Exhibit 1**

	<u>1992</u>	<u>1991</u>
<b>ASSETS</b>		
Receivables (Note 3)	281,615	258,095
Portfolio investments (Note 4)	3,789,517	3,632,431
Capital assets (Note 5)	<u>90,610</u>	<u>81,971</u>
	<u>4,161,742</u>	<u>3,972,497</u>
<b>LIABILITIES, RESERVES, AND UNFUNDED LIABILITY</b>		
Payables and accruals	29,670	40,962
Benefits liabilities (Notes 6 and 11)	<u>4,189,051</u>	<u>3,824,952</u>
Total liabilities	4,218,721	3,865,914
Special reserves (Note 7)	40,000	40,000
(Unfunded liability) Unappropriated balance (Exhibit 2)	<u>(96,979)</u>	<u>66,583</u>
	<u>4,161,742</u>	<u>3,972,497</u>

The accompanying notes are an integral part of the financial statements.

Contingency liability (Note 13)

Approved by:



James E. Dorsey  
Chairman  
Board of Governors



Kenneth M. Dye, F.C.A.  
President and Chief  
Executive Officer



W.F.R. Evans, C.A.  
Vice-President  
Financial Services

**Statement of Operations and Unfunded Liability**  
**For the Year Ended December 31, 1992 (in \$,000's)**

**Exhibit 2**

	<u>1992</u>	<u>1991</u>
<b>INCOME</b>		
Assessments (Note 8)	644,987	575,572
Investments (Note 4)	<u>316,122</u>	<u>329,617</u>
	<u>961,109</u>	<u>905,189</u>
<b>EXPENSES</b>		
Claims costs:		
Short-term disability	252,972	217,677
Long-term disability	477,319	417,887
Survivor benefits	38,442	44,511
Health care	151,052	118,516
Rehabilitation	<u>32,522</u>	<u>20,352</u>
Total	952,307	818,943
Administration and other expenses	<u>172,364</u>	<u>151,139</u>
	<u>1,124,671</u>	<u>970,082</u>
<b>DEFICIENCY FROM OPERATIONS</b>	(163,562)	(64,893)
<b>UNAPPROPRIATED BALANCE – JANUARY 1</b>	<u>66,583</u>	<u>131,476</u>
<b>(UNFUNDED LIABILITY) UNAPPROPRIATED BALANCE – DECEMBER 31 (Exhibit 1)</b>	<u>(96,979)</u>	<u>66,583</u>

The accompanying notes are an integral part of the financial statements.

**Statement of Changes in Financial Position**  
**For the Year Ended December 31, 1992 (in \$,000's)**

**Exhibit 3**

	<u>1992</u>	<u>1991</u>
<b>RECEIPTS</b>		
Cash received from employers, for assessments	620,161	560,104
Investments income	<u>316,122</u>	<u>329,617</u>
	<u>936,283</u>	<u>889,721</u>
<b>DISBURSEMENTS</b>		
Cash paid to:		
Claimants or third parties on their behalf	588,208	503,100
Suppliers, for administrative and other goods and services	<u>158,763</u>	<u>138,619</u>
	<u>746,971</u>	<u>641,719</u>
Purchases of capital assets	18,296	30,924
Change in payables, capital assets	<u>13,930</u>	<u>(14,036)</u>
Cash paid to suppliers, for capital assets	<u>32,226</u>	<u>16,888</u>
Total disbursements	<u>779,197</u>	<u>658,607</u>
<b>NET INCREASE IN PORTFOLIO INVESTMENTS</b>	157,086	231,114
<b>PORTFOLIO INVESTMENTS – JANUARY 1</b>	<u>3,632,431</u>	<u>3,401,317</u>
<b>PORTFOLIO INVESTMENTS – DECEMBER 31</b>	<u><u>3,789,517</u></u>	<u><u>3,632,431</u></u>

The accompanying notes are an integral part of the financial statements.



# Notes to the Financial Statements

## For the Year Ended December 31, 1992

### Note 1 — Nature of Operations

The Workers' Compensation Board administers the *Workers Compensation Act*, enacted by the British Columbia Legislature in 1917.

The primary functions of the Board under the Act are promotion of occupational health and safety; compensation for industrial injury, death or disease; rehabilitation of injured workers; collection of the funds necessary for its operations from employers covered under the Act; and management of portfolio investments in compliance with the *Financial Administration Act*.

An Appeals Commission is established under the Act to make final rulings on any appeals pertaining to the Board's assessment or benefits decisions.

Assessment rates are established at a level to recover current operating costs, and current and future claims costs of established classes of employers, arising from current claims. The Board may also levy a special assessment when considered appropriate.

The Board does not receive government funding or other assistance. The funding policy of the Board is to be fully funded, with any balances in the unfunded liability or unappropriated balance to be amortized on a five-year averaging basis.

### Note 2 — Significant Accounting Policies

#### (a) Portfolio Investments

Fixed-term investments, having terms greater than one year, consisting primarily of bonds of the Government of Canada, various Provinces and Crown corporations, are stated at amortized cost. Gains and losses realized on disposal of fixed-term investments during the year are deferred and amortized on a straight-line basis over a five-year period.

Equity investments are stated at market value. The amount by which market value differs from cost represents an unrealized gain or loss. Unrealized gains and losses occurring during the year, together with gains and losses realized on disposal of equities during the year, are deferred and amortized on a straight-line basis over a five-year period.

Fixed-term investments, having terms less than or equal to one year, consisting primarily of treasury bills and discounted bank notes, are stated at amortized cost. Gains and losses realized on disposal of these investments are recognized in the year of disposition.

#### (b) Capital Assets

Capital assets are reported at cost and are depreciated on a straight-line basis over their estimated useful lives. The rates used are as follows:

Buildings .....	20 to 40 years
Equipment .....	3 to 10 years
Furniture .....	10 years
Vehicles .....	5 years

#### (c) Benefits Liabilities

The Board determines its liabilities at the end of each year for all injuries that have taken place to that time.

The Board appoints a consulting actuary who examines the benefits liabilities and the underlying assumptions and methods. The report of the consulting actuary is appended to these financial statements.

The benefits liabilities represent the actuarial present value of all future benefits payments expected to be made for claims which occurred in the current fiscal year or in any prior year. The benefits liabilities include provision for all benefits provided by current legislation, policies and/or administrative practices in respect of existing claims. The benefits liabilities have been discounted to present value, using a real interest rate of 2- $\frac{3}{8}$ %.

As in prior years, no provision has been made for future claims related to latent occupational disease, because it cannot be reasonably estimated, or for future expenses of administration and rehabilitation of existing claims.

(d) Reserves

Accident Fund special reserves established pursuant to Section 39 of the *Workers Compensation Act* are:

- Contingent Reserve [Section 39(1)(b)] which provides a reserve in aid of industries or classes which may become depleted or extinguished.
- Disaster Reserve [Section 39(1)(d)] which provides a reserve to be used to meet the loss arising from a disaster or other circumstances which the Board considers would unfairly burden the employers in a particular class.
- Enhancement Reserve [Section 39(1)(e)] which provides a reserve for payment of that portion of a disability enhanced by reason of a pre-existing disease, condition or disability.

Claims deemed by the Board to be covered by these reserves are charged to current operations but are prorated to the various employer classes rather than being charged directly to any specific class.

(e) Assessments Income and Accrued Assessments Receivable

As a significant portion of assessments income for the year is not received until after the year-end, the amount shown is an estimate based on statistical data. The difference between the estimate and the actual income received is credited or charged to income in the following year.

(f) Self-Insured Employers

Certain employers have been placed in self-insured classes. These employers are billed on a monthly basis for payments of short-term disability, health care, rehabilitation, and for the capitalized values of long-term disability and survivor benefits, together with their proportionate share of administrative costs.

The receivable represents the provision for future claims costs of self-insured classes, for which the final settlement has not been determined, plus unpaid current billings.

The Board also acts as the agent of the Government of Canada for the payment of compensation to federal employees in British Columbia. Amounts paid are recovered from the Government of Canada on a monthly basis.

**Note 3 – Receivables (\$,000's)**

	<u>1992</u>	<u>1991</u>
Assessments	28,948	25,837
Accrued assessments	137,256	125,376
Self-insured employers – receivable	108,933	99,099
Assessments receivable	275,137	250,312
Self-insured employers – deposits	(5,541)	(4,825)
Other	12,019	12,608
	<u>281,615</u>	<u>258,095</u>

**Note 4 – Portfolio Investments (\$,000's)**

	<u>1992</u>	<u>1991</u>
(a) Portfolio Investments		
Fixed-term investments, over one year, amortized cost		
Government of Canada and Federal Crown Corporations	126,036	119,100
Province of British Columbia and Crown Corporations	302,433	345,941
British Columbia Municipalities	149,767	151,637
Other	2,095,504	2,122,363
(market value: 1992 – 2,818,685; 1991 – 2,937,194)	<u>2,673,740</u>	<u>2,739,041</u>
Accrued interest	<u>75,097</u>	<u>73,648</u>
Equities, market value		
Canadian Index Fund	375,491	321,232
Externally managed Canadian equities	387,151	323,303
	<u>762,642</u>	<u>644,535</u>
Fixed-term investments, under one year, amortized cost	301,754	211,604
Bank indebtedness	<u>(19,736)</u>	<u>(15,950)</u>
	3,793,497	3,652,878
Deferred investments (gains)	<u>(3,980)</u>	<u>(20,447)</u>
	<u>3,789,517</u>	<u>3,632,431</u>
(b) Deferred Portfolio Investments (Gains) Losses		
Balance – January 1	(20,447)	31,729
Realized net (gains) for the year	(26,454)	(21,171)
Unrealized net losses (gains) for the year	42,696	(33,185)
	<u>(4,205)</u>	<u>(22,627)</u>
Amortization (credited) to investment income	<u>(225)</u>	<u>(2,180)</u>
Balance – December 31	<u>(3,980)</u>	<u>(20,447)</u>
(c) Investments Income		
Earned for the year	315,897	327,437
Amortization of portfolio investment gains	<u>225</u>	<u>2,180</u>
	<u>316,122</u>	<u>329,617</u>

**Note 5 – Capital Assets (\$,000's)**

	1992				1991
	Cost	Depreciation	Accumulated Depreciation	Net Book Value	Net Book Value
Land	7,500	-	-	7,500	5,950
Buildings	70,697	1,699	16,827	53,870	50,682
Furniture, Equipment, and Vehicles	74,174	7,791	44,934	29,240	25,339
Totals	152,371	9,490	61,761	90,610	81,971

**Note 6 – Benefits Liabilities (\$,000's)**

	1992						1991
	Short-term Disability	Long-term Disability	Survivor Benefits	Health Care	Rehabilitation	Total	Total
Balance, beginning of year	245,123	2,700,698	480,496	398,635	-	3,824,952	3,509,109
Add claims costs:							
Current year injuries	229,703	223,756	18,363	121,353	27,283	620,458	557,632
Prior years' injuries	23,269	253,563	20,079	29,699	5,239	331,849	261,311
	252,972	477,319	38,442	151,052	32,522	952,307	818,943
	498,095	3,178,017	518,938	549,687	32,522	4,777,259	4,328,052
Less claims payments made:							
Current year injuries	137,064	844	813	50,687	1,005	190,413	177,321
Prior years' injuries	103,778	171,235	31,984	59,281	31,517	397,795	325,779
	240,842	172,079	32,797	109,968	32,522	588,208	503,100
Balance, end of year	257,253	3,005,938	486,141	439,719	-	4,189,051	3,824,952

**Note 7 — Special Reserves (\$,000's)**

	1992				1991
	Contingent	Disaster	Enhancement	Total	Total
Special reserves costs					
Short-term disability	-	833	17,634	18,467	12,096
Long-term disability	-	2,223	24,467	26,690	15,012
Survivor benefits	-	1,268	359	1,627	1,600
Health care	-	275	4,598	4,873	3,595
Rehabilitation	-	216	5,023	5,239	3,394
	-	4,815	52,081	56,896	35,697

The Special reserves balance at December 31 is represented by:

Contingent	2,500	2,500
Disaster	16,500	16,500
Enhancement	21,000	21,000
Balance — December 31	40,000	40,000

**Note 8 — Assessments (\$,000's)**

	1992	1991
Classes	626,465	589,326
Capping of rate changes and amortization of unappropriated balance	(28,869)	(57,831)
Classes — net	597,596	531,495
Self-insured employers	42,369	37,647
Assessment penalties	3,822	4,281
	643,787	573,423
Occupational Safety and Health penalties	1,200	2,149
	644,987	575,572

Capping of rate changes represents the effect of the Board's current policy to limit changes to the rates of any sub-class to a maximum of 20% in a current year. The amortization of unappropriated balance represents the effect of the planned amortization of the projected unappropriated balance at the beginning of the appropriate year.



## Note 9 – Superannuation Plan

The Board and its employees contribute to the Workers' Compensation Board Superannuation Plan, a defined benefit plan. The plan provides pensions based on length of service and best five years' average earnings. For funding purposes, and to determine the contribution rate, the plan requires an actuarial valuation of the plan's liabilities at intervals of not more than three years. The last valuation was carried out as at March 31, 1991.

The Board's 1992 superannuation pension expense, calculated on the accrued benefit method, on the basis of the March 31, 1991 valuation results, amounted to \$6,840,000 (1991 – \$5,093,000). This amount includes the amortization of experience gains and losses which are being amortized on a straight-line basis over a period of twelve years. The Board's 1992 contributions to the plan amounted to \$8,194,000 (1991 – \$8,068,000). This difference between the pension expense and pension contributions is included in receivables on the balance sheet. For the year ended December 31, 1992, the accumulated difference amounted to \$8,759,000 (December 31, 1991 – \$7,405,000).

The pension plan long-term compensation levels were assumed to increase by 5.0% (1991 – 5.0%). Pension plan assets and liabilities are stated at extrapolated actuarial values. The assumed long-term rate of return on pension plan assets was 6.5% (1991 – 6.5%).

The resulting values of pension assets and liabilities as at December 31, 1992 are as follows:

	1992	1991
Assets	\$196,676,000	\$175,652,000
Liabilities	\$ 188,611,000	\$168,777,000
Net Surplus	\$ 8,065,000	\$ 6,875,000

The net surplus is not included in the Board's financial statements.

## Note 10 – Related Party Transactions

The Board is required to reimburse the Government of British Columbia for the operating costs of the Workers' Compensation Review Board, the Workers' Advisers, and the Employers' Advisers.

The Board is also responsible for the administration of the *Workplace Act* and the *Criminal Injury Compensation Act*. Under the *Workplace Act*, the Board assumed the jurisdiction of the former Occupational Environment Branch under the *Factory Act* to inspect and regulate health, safety and comfort conditions in factories, offices and shops. The *Criminal Injury Compensation Act* compensates people who are victims of any of the crimes listed in the statute. The Government of British Columbia reimburses the Board for all operating costs incurred in the administration of this Act.

In addition to the legislated obligations referred to above, included in these financial statements are amounts resulting from routine operating transactions conducted at prevailing market prices with various British Columbia Government controlled ministries, agencies, and Crown corporations to which the Board may be considered related. Account balances resulting from these transactions are included in the financial statements and are settled on normal trade terms.



**Note 11 – Self-insured Employers (\$,000's)**

	<u>1992</u>	<u>1991</u>
Current assessments income	42,369	37,647
Claims costs:		
Short-term disability	12,891	14,023
Long-term disability	15,622	15,218
Survivor benefits	2,762	804
Health care	8,380	8,256
Rehabilitation	1,057	705
	40,712	39,006
Share of special reserves costs	2,302	1,254
Administration and other	8,245	6,970
	51,259	47,230
Less: Share of investments income	(8,705)	(9,399)
Share of penalty income	(185)	(184)
	<u>42,369</u>	<u>37,647</u>

In addition, included in the benefits liabilities is \$105 million (1991 – \$98 million) for self-insured employers (except for the Federal Government). An equivalent amount is included in receivables because these liabilities will be paid by those employers in future years, hence they do not affect the Board's unfunded liability.

**Note 12 – Silicosis Fund**

The Silicosis Fund was discontinued as at December 31, 1992. The excess monies in this class will be transferred either to other mining industry classes or refunded to employers during 1993. All industrial diseases and all future liabilities previously recognized within the Silicosis Fund will be transferred to existing classes of the Accident Fund.

**Note 13 – Contingency**

The Workers' Compensation Board is a "third party" in asbestos property damage litigation, usually brought by owners against contractors and asbestos suppliers, for the Board's alleged failure to properly regulate the use of asbestos in British Columbia during previous years.

The Board estimates that the contingent loss could be approximately \$100 million. As it is unlikely that the "third party" litigation against the Board will be successful, in the opinion of the Board's legal adviser, no provision has been made in the accounts as at December 31, 1992 for this potential cost.

**Note 14 – Comparative Figures**

Certain 1991 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1992.

## ACTUARY'S REPORT

The liabilities included in this report have been computed by the Board in accordance with methods and assumptions approved by us. We have made such tests of the calculations as were deemed necessary. We have also examined the data upon which the calculations were based and found it to be sufficient for our purposes and consistent with the Board's financial statements.

The liabilities for pensions in payment include the effect of cost-of-living increases granted effective January 1, 1993, and have been computed using the same mortality, net interest rate and other assumptions used for the valuation as at December 31, 1991. The net interest rate of 2-<sup>3</sup>/<sub>8</sub>% makes implicit provision for the future indexing of pensions on the assumption that investment earnings on Board assets in excess of 2-<sup>3</sup>/<sub>8</sub>% will correspond, over the long term, to future inflation-related increases in benefits. The remaining liabilities are based on projections of future claims payments and awards using ratios developed from the Board's claims experience, average benefit rates, the net interest rate assumption of 2-<sup>3</sup>/<sub>8</sub>% and, where applicable, the mortality and other assumptions used for computing pension liabilities. The methods used in calculating these liabilities were substantially the same as those employed in the previous valuation as at December 31, 1991.

In our opinion, the assumptions made are appropriate, the methods employed are in accordance with sound actuarial principles, and the resulting amounts set out below make reasonable provision, as at December 31, 1992, for the future benefits liabilities of the Board in respect of injuries to December 31, 1992.

(\$,000's)

### Benefits Liabilities:

Short-term Disability	257,253
Long-term Disability	3,005,938
Survivor Benefits	486,141
Health Care	439,719
	<u>4,189,051</u>



Jacob Levi, F.S.A., F.C.I.A.  
Eckler Partners Ltd.  
Consulting Actuaries

March 5, 1993

## Province of British Columbia Pooled Investment Portfolios

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### Province of British Columbia Pooled Investment Portfolios

#### Group of Funds

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Canadian Corporate Bond Fund  
Real Return Bond Fund  
Realpool Investment Fund  
Managed International Equity Fund  
Passive International Equity Fund

Canadian Money Market Fund ST1  
Canadian Money Market Fund ST2  
U.S. Dollar Money Market Fund ST3

Indexed Canadian Equity Fund  
Active Canadian Equity Fund  
Customized U.S. Equity Fund

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Financial Statements  
1992/1993

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# Province of British Columbia Pooled Investment Portfolios

## Group of Funds

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Canadian Corporate Bond Fund  
Real Return Bond Fund  
Realpool Investment Fund  
Managed International Equity Fund  
Passive International Equity Fund

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## Financial Statements

For the year ended December 31, 1992

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**Province of British Columbia Pooled Investment Portfolios****STATEMENT OF RESPONSIBILITY**

*To the Minister of Finance and Corporate Relations:*

Responsibility for the integrity, objectivity and the preparation of the accompanying financial statements rests with the management of the Provincial Treasury. The financial statements are prepared in accordance with generally accepted accounting principles consistently applied. Systems of internal controls are in place to provide reasonable assurance that transactions are appropriately authorized, assets are safeguarded and financial records are properly maintained to provide reliable financial statements.

The Auditor General of the Province of British Columbia conducts an independent examination, in accordance with generally accepted auditing standards, and provides an independent professional opinion on the financial statements.

  
\_\_\_\_\_  
Arn van Iersel  
Director  
Banking/Cash Management  
Provincial Treasury

Victoria, British Columbia  
April 16, 1993



Auditor General of British Columbia

## AUDITOR'S REPORT

8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

(604) 387-6803  
Fax (604) 387-1230

*To the Minister of Finance and Corporate Relations,  
Province of British Columbia:*

I have audited the statement of net assets of the Province of British Columbia Pooled Investment Portfolios, being the Canadian Corporate Bond Fund, Real Return Bond Fund, Realpool Investment Fund, Managed International Equity Fund, and Passive International Equity Fund, as at December 31, 1992, the statement of changes in net assets for the year then ended, and the statement of investments as at December 31, 1992. These financial statements are the responsibility of the Portfolios' management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Canadian Corporate Bond Fund, Real Return Bond Fund, Realpool Investment Fund, Managed International Equity Fund, and Passive International Equity Fund as at December 31, 1992, and the changes in fund net assets for the year then ended in accordance with generally accepted accounting principles.

George L. Morfitt, FCA  
Auditor General

*Victoria, British Columbia  
April 16, 1993*





**PROVINCE OF BRITISH COLUMBIA POOLED INVESTMENT PORTFOLIOS  
STATEMENTS OF NET ASSETS  
AS AT DECEMBER 31, 1992**

	CANADIAN CORPORATE BOND FUND		REAL RETURN BOND FUND	
	1992	1991	1992	1991
	(In thousands)		(In thousands)	
Investments at market value	\$342,113	\$147,011	\$ 99,750	\$ 96,983
Cash	--	--	--	--
Receivable from sale of investments (note 4)	--	--	--	--
Accrued investment income	6,528	2,542	367	256
Foreign withholding tax receivable	--	--	--	--
Other assets	--	--	--	--
<b>Total assets</b>	<u>348,641</u>	<u>149,553</u>	<u>100,117</u>	<u>97,239</u>
Payable for investments purchased	5,000	--	--	--
Mortgages and other payables (note 5)	--	--	--	--
External management fees payable	--	--	--	--
External custodial fees payable	--	--	--	--
<b>Total liabilities</b>	<u>5,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
 Net assets representing unitholders' equity	 <u>\$343,641</u>	 <u>\$149,553</u>	 <u>\$100,117</u>	 <u>\$ 97,239</u>
Number of units outstanding (note 6)	277.898	132.316	100.000	100.000
 Net asset value per unit	 <u>\$ 1,237</u>	 <u>\$ 1,130</u>	 <u>\$ 1,001</u>	 <u>\$ 972</u>

The ten accompanying notes are an integral part of these financial statements.

Approved on behalf of the Minister of Finance and Corporate Relations:

  
Michael Costello  
Deputy Minister  
Ministry of Finance and  
Corporate Relations

  
Brenda Eaton  
Assistant Deputy Minister  
Provincial Treasury  
Ministry of Finance and  
Corporate Relations

REALPOOL INVESTMENT FUND		MANAGED INTERNATIONAL EQUITY FUND		PASSIVE INTERNATIONAL EQUITY FUND	
1992	1991	1992	1991	1992	1991
(In thousands)		(In thousands)		(In thousands)	
\$214,997	\$108,722	\$202,904	\$208,393	\$161,670	\$157,478
1,808	9,393	9,623	3,736	466	606
--	--	1,051	313	--	--
310	253	254	229	136	95
--	--	125	90	58	46
<u>548</u>	<u>151</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>217,663</u>	<u>118,519</u>	<u>213,957</u>	<u>212,761</u>	<u>162,330</u>	<u>158,225</u>
--	--	2,979	1,934	--	--
31,211	--	--	--	--	--
--	--	254	261	28	29
<u>--</u>	<u>--</u>	<u>--</u>	<u>116</u>	<u>--</u>	<u>37</u>
<u>31,211</u>	<u>--</u>	<u>3,233</u>	<u>2,311</u>	<u>28</u>	<u>66</u>
 <u>\$186,452</u>	 <u>\$118,519</u>	 <u>\$210,724</u>	 <u>\$210,450</u>	 <u>\$162,302</u>	 <u>\$158,159</u>
177.149	114.794	201.756	200.109	151.567	150.070
<u>\$ 1,053</u>	<u>\$ 1,032</u>	<u>\$ 1,044</u>	<u>\$ 1,052</u>	<u>\$ 1,071</u>	<u>\$ 1,054</u>

**PROVINCE OF BRITISH COLUMBIA POOLED INVESTMENT PORTFOLIOS**  
**STATEMENTS OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 1992**  
(Comparative 1991 figures are for varying periods - see note 1)

	<b>CANADIAN CORPORATE BOND FUND</b>		<b>REAL RETURN BOND FUND</b>	
	<b>1992</b>	<b>1991</b>	<b>1992</b>	<b>1991</b>
	<b>(In thousands)</b>		<b>(In thousands)</b>	
Net assets, beginning of year	<u>\$149,553</u>	<u>\$ --</u>	<u>\$ 97,239</u>	<u>\$ --</u>
Changes during the year:				
Investment activities:				
Investment income	23,368	4,745	4,402	340
Net rental income	--	--	--	--
Net realized gain (loss) on sale of investments	1,657	2,418	--	3
Change in unrealized appreciation (depreciation) of investments	<u>(937)</u>	<u>6,328</u>	<u>(1,524)<sup>1</sup></u>	<u>(3,104)<sup>1</sup></u>
	<u>24,088</u>	<u>13,491</u>	<u>2,878</u>	<u>(2,761)</u>
Capital transactions:				
Proceeds from units issued	179,000	45,000	--	100,000
Value of securities received in exchange for units	--	91,062	--	--
Amounts paid for units redeemed	<u>(9,000)</u>	<u>--</u>	<u>--</u>	<u>--</u>
	<u>170,000</u>	<u>136,062</u>	<u>--</u>	<u>100,000</u>
Expenses:				
External management fees (note 7)	--	--	--	--
External custodial fees	--	--	--	--
Other	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net increase during the year	<u>194,088</u>	<u>149,553</u>	<u>2,878</u>	<u>97,239</u>
Net assets, end of year	<u>\$343,641</u>	<u>\$149,553</u>	<u>\$100,117</u>	<u>\$ 97,239</u>

<sup>1</sup>Includes \$1,569,000 unrealized consumer price index (CPI) adjustment gain (1991: \$107,000 unrealized CPI adjustment loss).

REALPOOL INVESTMENT FUND		MANAGED INTERNATIONAL EQUITY FUND		PASSIVE INTERNATIONAL EQUITY FUND	
1992	1991	1992	1991	1992	1991
(In thousands)		(In thousands)		(In thousands)	
<u>\$118,519</u>	<u>\$ --</u>	<u>\$210,450</u>	<u>\$ --</u>	<u>\$158,159</u>	<u>\$ --</u>
8,131	3,397	6,419 <sup>2</sup>	5,818 <sup>2</sup>	7,221 <sup>2</sup>	5,931 <sup>2</sup>
2,141	--	--	--	--	--
--	--	(4,057)	(1,991)	178	61
<u>(6,005)</u>	<u>362</u>	<u>(2,666)</u>	<u>7,310</u>	<u>(4,682)</u>	<u>2,271</u>
<u>4,267</u>	<u>3,759</u>	<u>(304)</u>	<u>11,137</u>	<u>2,717</u>	<u>8,263</u>
65,000	115,500	1,713	200,109	1,565	150,072
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>65,000</u>	<u>115,500</u>	<u>1,713</u>	<u>200,109</u>	<u>1,565</u>	<u>150,072</u>
1,020	603	1,037	572	111	67
--	--	98	224	28	109
<u>314</u>	<u>137</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>1,334</u>	<u>740</u>	<u>1,135</u>	<u>796</u>	<u>139</u>	<u>176</u>
<u>67,933</u>	<u>118,519</u>	<u>274</u>	<u>210,450</u>	<u>4,143</u>	<u>158,159</u>
<u>\$186,452</u>	<u>\$118,519</u>	<u>\$210,724</u>	<u>\$210,450</u>	<u>\$162,302</u>	<u>\$158,159</u>

<sup>2</sup>Net of foreign withholding taxes expense.

**PROVINCE OF BRITISH COLUMBIA POOLED INVESTMENT PORTFOLIOS  
STATEMENTS OF INVESTMENTS  
AS AT DECEMBER 31, 1992**

	CANADIAN CORPORATE BOND FUND		REAL RETURN BOND FUND		REALPOOL INVESTMENT FUND	
	Amortized Cost	Market Value	Amortized Cost	Market Value	Cost and Amortized Cost	Market Value
	(In thousands)		(In thousands)		(In thousands)	
Long Term Bonds						
Obligations of, or guaranteed by, Canada	\$ 5,338	\$ 5,216	\$101,462	\$95,374	\$ --	\$ --
Debentures issued by corporations incorporated under the laws of Canada or a province	<u>325,877</u>	<u>331,392</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
	<u>331,215</u>	<u>336,608</u>	<u>101,462</u>	<u>95,374</u>	<u>--</u>	<u>--</u>
Real Estate Investments						
Retail	--	--	--	--	52,648	53,56
Office and mixed use	--	--	--	--	39,344	39,06
Industrial	--	--	--	--	36,437	35,72
Common shares in real estate corporation	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>25,000</u>	<u>19,57</u>
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>153,429</u>	<u>147,93</u>
Short Term Investments						
Units in Province of British Columbia Pooled Investment Portfolio:						
Fund ST1	5,077	5,079	4,378	4,376	881	88
Fund ST2	430	426	--	--	22,129	21,98
Short term notes	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>44,201</u>	<u>44,19</u>
	<u>5,507</u>	<u>5,505</u>	<u>4,378</u>	<u>4,376</u>	<u>67,211</u>	<u>67,00</u>
Total Investments	<u>\$336,722</u>	<u>\$342,113</u>	<u>\$105,840</u>	<u>\$ 99,750</u>	<u>\$220,640</u>	<u>\$214,99</u>

**PROVINCE OF BRITISH COLUMBIA POOLED INVESTMENT PORTFOLIOS  
STATEMENTS OF INVESTMENTS  
AS AT DECEMBER 31, 1992**

	MANAGED INTERNATIONAL EQUITY FUND			PASSIVE INTERNATIONAL EQUITY FUND		
	Average Cost	Market Value	% of Total	Average Cost	Market Value	% of Total
	(In thousands)			(In thousands)		
Equity Investments						
Australia	\$ 1,066	\$ 1,106	0.54%	\$ 1,986	\$ 2,059	1.27%
Austria	1,227	1,113	0.55%	427	351	0.22%
Belgium	585	567	0.28%	840	925	0.57%
Denmark	--	--	--	625	522	0.32%
France	13,599	13,803	6.80%	4,248	4,987	3.09%
Germany	10,737	10,500	5.17%	5,000	4,978	3.08%
Hong Kong	9,966	10,631	5.24%	1,378	2,226	1.38%
Ireland	371	359	0.18%	--	--	--
Italy	1,257	972	0.48%	1,948	1,459	0.90%
Japan	48,705	46,093	22.72%	38,094	32,660	20.20%
Korea	360	321	0.16%	--	--	--
Malaysia	6,431	6,897	3.40%	21	24	0.01%
Netherlands	9,292	10,136	5.00%	2,103	2,505	1.55%
New Zealand	1,320	1,371	0.68%	--	--	--
Norway	1,756	1,349	0.66%	271	195	0.12%
Singapore	2,275	2,666	1.31%	952	1,120	0.69%
Spain	1,995	1,753	0.86%	1,855	1,500	0.93%
Sweden	2,719	2,961	1.46%	991	916	0.57%
Switzerland	10,589	11,450	5.64%	2,567	3,302	2.04%
Thailand	4,513	5,391	2.66%	--	--	--
United Kingdom	35,103	37,979	18.72%	13,903	14,967	9.26%
USA	<u>3,515</u>	<u>3,857</u>	<u>1.90%</u>	<u>--</u>	<u>--</u>	<u>--</u>
	167,381	171,275	84.41%	77,209	74,696	46.20%
Short Term Investments						
Units in Province of British Columbia Pooled Investment Portfolio Fund ST1	<u>31,625</u>	<u>31,629</u>	<u>15.59%</u>	<u>86,963</u>	<u>86,974</u>	<u>53.80%</u>
Total Investments	\$199,006	\$202,904	100.00%	\$164,172	\$161,670	100.00%



**PROVINCE OF BRITISH COLUMBIA  
POOLED INVESTMENT PORTFOLIOS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

**1. The Portfolios**

The Financial Administration Act, Section 36.1, subsection 1, authorizes the Minister of Finance and Corporate Relations to establish and operate pooled investment portfolios "... in which the money from trust funds, special funds or other funds, other public money and the money of government bodies may be combined in common for the purpose of investment by means of investment units of participation in a pooled investment portfolio."

The Portfolios consist of investments, authorized by Section 36, subsection 1 and 4, and Section 36.1, subsection 7, of the Financial Administration Act.

The Canadian Corporate Bond Fund was established by the Minister on July 25, 1991, and invests primarily in Canadian corporate debentures.

The Real Return Bond Fund was established by the Minister on December 6, 1991, and invests primarily in Government of Canada bonds with a rate of return linked to the Consumer Price Index for Canada.

The Realpool Investment Fund was established by the Minister on July 3, 1991, and invests primarily in diversified income-producing properties through four wholly-owned subsidiary corporations and equity investments in other real estate corporations.

The Managed International Equity Fund was established by the Minister on May 1, 1991, and invests primarily in common shares of companies in principal market regions in Europe, Australia, and the Far East (EAFE), with diversified investments extending beyond the companies that comprise the Morgan Stanley EAFE Index.

The Passive International Equity Fund was established by the Minister on May 1, 1991, and invests primarily in the common shares of companies that comprise the Morgan Stanley EAFE Index.

Participation in each Portfolio is expressed in units, each unit giving its holder a proportionate share in the net equity. Unitholders may only acquire and redeem units on respective valuation dates. The value of a unit is \$1 million on establishment, and on subsequent valuation dates is determined by dividing the market value of the net assets of the Portfolio by the total number of units outstanding.

**2. Principle of Consolidation**

Wholly-owned subsidiary corporations of the Realpool Investment Fund are consolidated with the parent accounts after adjusting them to a basis consistent with the accounting policies described below. Inter-organization accounts and transactions are eliminated upon consolidation.

**3. Significant Accounting Policies**

**a) Valuation of Investments**

Securities listed on a recognized public stock exchange are valued at their closing sale price. Securities not traded on that date are valued at the mean price between the latest bid and asked price. Securities not listed on any recognized public stock exchange, or which are traded over-the-counter, are valued in the same manner based on available public quotations from recognized dealers in such securities or at the price estimated by the fund manager to be the fair value.

Short term investments are valued at market derived from external quotations.

Real estate properties are carried at appraised values and are required to be valued annually by professionally qualified independent appraisers. All properties are valued at the end of each quarter by the investment analysis staff of the respective subsidiary corporations. Depreciation is not recorded on properties.

Leasing costs and all direct costs relating to the acquisition of real estate properties are capitalized. For development properties only, operating costs, certain indirect costs and property taxes are also capitalized.

Investments in real estate co-ownership are accounted for by the proportionate consolidation method.

**PROVINCE OF BRITISH COLUMBIA  
POOLED INVESTMENT PORTFOLIOS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

**b) Investment Transactions and Income**

Investment transactions are accounted for on the trade date basis. Dividend income is recognized on the ex-dividend date, and interest income on the accrual basis. Realized gains and losses and unrealized appreciation or depreciation of investments are calculated based on cost for real estate investments, average cost for equity investments, and amortized cost for short term investments and long term bonds. The amortized cost is the cost of acquisition adjusted by amortization of discounts and premiums on a true constant yield basis over the terms of the investments.

**c) Foreign Currency Translation**

Assets and liabilities in foreign currencies are translated into Canadian dollars at fiscal year-end exchange rate. Purchases and sales of investments are translated at the rate prevailing on the respective dates of such transactions. Income is translated at the month-end rate.

**4. Receivable from Sale of Investments**

For the Managed International Equity Fund, the amount receivable from sale of investments includes a net unrealized gain of \$797,082 based on foreign currency exchange rates as at December 31, 1992, for 17 closed forward currency contracts. Sixteen of these contracts were settled in subsequent months resulting in \$905,782 realized gains. The remaining contract, and its offsetting closing contract, settling in June, 1993, have an unrealized gain of \$57,174 based on foreign currency exchange rates as at March 31, 1993.

**5. Mortgages and Other Payables**

Mortgages payable bear interest at rates ranging from 9.00% to 11.375% and are maturing at various dates to the year 2001. Principal repayments due are as follows:

1993	\$ 248,287
1994	10,572,069
1995	234,871
1996	11,243,949
1997	116,103
1998 and subsequent	<u>5,800,678</u>
	<u>\$28,215,957</u>

Other payables include \$2,886,220 and \$108,882 for accounts payable and prepaid rent and deposits respectively.

**6. Unitholders' Equity**

There is no limitation on the number of Portfolio units available for issue. The following is a summary of the changes in units outstanding during the year ended December 31, 1992 (comparative 1991 figures are for varying periods - see note 1).

	CANADIAN CORPORATE BOND FUND		REAL RETURN BOND FUND		REALPOOL INVESTMENT FUND	
	1992	1991	1992	1991	1992	1991
Outstanding, beginning of year	132.316	--	100.000	--	114.794	--
Issued	153.145	132.316	--	100.000	62.355	114.794
Redeemed	<u>(7.563)</u>	--	--	--	--	--
Outstanding, end of year	<u>277.898</u>	<u>132.316</u>	<u>100.000</u>	<u>100.000</u>	<u>177.149</u>	<u>114.794</u>

**PROVINCE OF BRITISH COLUMBIA  
POOLED INVESTMENT PORTFOLIOS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1992**

	MANAGED INTERNATIONAL EQUITY FUND		PASSIVE INTERNATIONAL EQUITY FUND	
	1992	1991	1992	1991
Outstanding, beginning of year	200.109	--	150.070	--
Issued	1.647	200.109	1.497	150.070
Redeemed	--	--	--	--
Outstanding, end of year	<u>201.756</u>	<u>200.109</u>	<u>151.567</u>	<u>150.070</u>

#### 7. External Management Fees

Management fees are paid by the Realpool Investment Fund and the International Equity Funds to external managers for providing investment management and advisory services.

#### 8. Related Party Transactions

All inter-portfolio transactions are conducted at market value.

Administration costs are borne by the Minister of Finance and Corporate Relations. The Minister recovers these costs by charging the unitholders a management fee. This fee is calculated based on the market value of the unitholders' investment holdings administered by the Provincial Treasury.

#### 9. Commitments

The Realpool Investment Fund has entered into investment agreements with its four wholly-owned subsidiary corporations. Subject to a termination clause in each of these agreements, the Fund has outstanding commitments as at December 31, 1992 to invest an additional \$173.3 million in the shares of these corporations. The commitments will be funded through the future purchase of units by unitholders.

#### 10. Subsequent Events

The Canadian Corporate Bond Fund's investments include bonds totalling \$1,000,000 par value of the Olympia and York First Canadian Place Limited Bonds, Series 1, 10.75 per cent, maturity date November 4, 1993. (Total bonds issued and outstanding is \$475,000,000.) Olympia and York Development Limited defaulted on the May 4 and November 4, 1992 bond interest payments. Since May, 1992, the court has frozen Olympia and York's assets pending financial restructuring. On January 15, 1993, the bondholders voted to reject the Olympia and York Plan of Arrangements. As a result, the committee for the bondholders has the right to and is currently acting to take possession of the First Canadian Place by assuming seats on the management committee which runs the building. The bondholder committee has also commenced foreclosure proceeding with respect to the building. The bonds were valued at \$630,000 as at December 31, 1992. On March 31, 1993, a partial interest payment of \$55,000 was received from the trustee.

The Realpool Investment Fund and the Managed International Equity Fund increased their net assets by \$68,000,000 and \$49,000,000 respectively on January 4, 1993, through the issuance of additional units.

The Passive International Equity Fund, on January 4, 1993, divested its holdings in the Province of British Columbia Pooled Investment Portfolio Fund ST1, totalling \$49,000,000, in order to fund unit redemptions.

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# Province of British Columbia Pooled Investment Portfolios

## Group of Funds

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Canadian Money Market Fund ST1  
Canadian Money Market Fund ST2  
U.S. Dollar Money Market Fund ST3

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## Financial Statements

For the year ended March 31, 1993

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## Province of British Columbia Pooled Investment Portfolios

## STATEMENT OF RESPONSIBILITY

*To the Minister of Finance and Corporate Relations:*

Responsibility for the integrity, objectivity and the preparation of the accompanying financial statements rests with the management of the Provincial Treasury. The financial statements are prepared in accordance with generally accepted accounting principles consistently applied. Systems of internal controls are in place to provide reasonable assurance that transactions are appropriately authorized, assets are safeguarded and financial records are properly maintained to provide reliable financial statements.

The Auditor General of the Province of British Columbia conducts an independent examination, in accordance with generally accepted auditing standards, and provides an independent professional opinion on the financial statements.

  
Arn van Iersel  
Director  
Banking/Cash Management  
Provincial Treasury

Victoria, British Columbia  
June 18, 1993





Auditor General of British Columbia

## AUDITOR'S REPORT

8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

(604) 387-6803  
Fax (604) 387-1230

*To the Minister of Finance and Corporate Relations,  
Province of British Columbia:*

I have audited the statement of net assets of the Province of British Columbia Pooled Investment Portfolios, being the Fund ST1, Fund ST2 and Fund ST3 as at March 31, 1993, the statement of changes in net assets for the year then ended, and the statement of investments as at March 31, 1993. These financial statements are the responsibility of the Portfolios' management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund ST1, Fund ST2 and Fund ST3 as at March 31, 1993 and the changes in fund net assets for the year then ended in accordance with generally accepted accounting principles.

A handwritten signature in dark ink, appearing to read "George L. Morfitt".

George L. Morfitt, FCA  
Auditor General

*Victoria, British Columbia  
June 18, 1993*



**PROVINCE OF BRITISH COLUMBIA POOLED INVESTMENT PORTFOLIOS  
STATEMENTS OF NET ASSETS  
AS AT MARCH 31, 1993**

	Canadian Money Market			
	FUND ST1		FUND ST2	
	1993	1992	1993	1992
	(In thousands)		(In thousands)	
Investments at market value	<u>\$1,285,349</u>	<u>\$782,126</u>	<u>\$4,152,874</u>	<u>\$4,263,794</u>
Net assets representing unitholders' equity	<u>\$1,285,349</u>	<u>\$782,126</u>	<u>\$4,152,874</u>	<u>\$4,263,794</u>
Number of units outstanding (note 3)	<u>686,196</u>	<u>445,387</u>	<u>2,222,761</u>	<u>2,447,002</u>
Net asset value per unit	<u>\$ 1,873</u>	<u>\$ 1,756</u>	<u>\$ 1,868</u>	<u>\$ 1,742</u>

The four accompanying notes are an integral part of these financial statements.

Approved on behalf of the Minister of Finance and Corporate Relations:



Michael Costello  
Deputy Minister  
Ministry of Finance and  
Corporate Relations



Brenda Eaton  
Assistant Deputy Minister  
Provincial Treasury  
Ministry of Finance and  
Corporate Relations

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**U.S. Money Market**

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**FUND ST3**

---

<b>1993</b>	<b>1992</b>
-------------	-------------

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**(In thousands US \$)**

<u>\$52,037</u>	<u>\$139,410</u>
-----------------	------------------

<u>\$52,037</u>	<u>\$139,410</u>
-----------------	------------------

<u>45.349</u>	<u>125.708</u>
---------------	----------------

<u>\$ 1,147</u>	<u>\$ 1,109</u>
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**PROVINCE OF BRITISH COLUMBIA POOLED INVESTMENT PORTFOLIOS  
STATEMENTS OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 1993**

**Canadian Money Market**

	FUND ST1		FUND ST2	
	1993	1992	1993	1992
	(In thousands)		(In thousands)	
Net assets, beginning of year	<u>\$ 782,126</u>	<u>\$ 835,195</u>	<u>\$4,263,794</u>	<u>\$4,938,965</u>
Changes during the year:				
Investment activities:				
Investment income	82,553	88,252	276,599	429,457
Net realized gain (loss) on sale of investments	(4)	3	3,130	14,598
Change in unrealized appreciation (depreciation) of investments	<u>53</u>	<u>(32)</u>	<u>7,585</u>	<u>(27,522)</u>
	<u>82,602</u>	<u>88,223</u>	<u>287,314</u>	<u>416,533</u>
Capital transactions:				
Proceeds from units issued	16,546,596	17,860,748	1,394,973	1,760,229
Amounts paid for units redeemed	<u>(16,125,975)</u>	<u>(18,002,040)</u>	<u>(1,793,207)</u>	<u>(2,851,933)</u>
	<u>420,621</u>	<u>(141,292)</u>	<u>(398,234)</u>	<u>(1,091,704)</u>
Net increase (decrease) during the year	<u>503,223</u>	<u>(53,069)</u>	<u>(110,920)</u>	<u>(675,171)</u>
Net assets, end of year	<u>\$ 1,285,349</u>	<u>\$ 782,126</u>	<u>\$4,152,874</u>	<u>\$4,263,794</u>

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**U.S. Money Market**


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**FUND ST3**


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1993	1992
------	------

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(In thousands US \$)

<u>\$139,410</u>	<u>\$ 74,247</u>
------------------	------------------

3,344	4,681
-------	-------

--	--
----	----

<u>(3)</u>	<u>(3)</u>
------------	------------

<u>3,341</u>	<u>4,678</u>
--------------	--------------

180,272	139,759
---------	---------

<u>(270,986)</u>	<u>(79,274)</u>
------------------	-----------------

<u>(90,714)</u>	<u>60,485</u>
-----------------	---------------

<u>(87,373)</u>	<u>65,163</u>
-----------------	---------------

<u>\$ 52,037</u>	<u>\$139,410</u>
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**PROVINCE OF BRITISH COLUMBIA POOLED INVESTMENT PORTFOLIOS  
STATEMENTS OF INVESTMENTS  
AS AT MARCH 31, 1993**

	Canadian Money Market				U.S. Money Market	
	FUND ST1		FUND ST2		FUND ST3	
	Amortized Cost	Market Value	Amortized Cost	Market Value	Amortized Cost	Market Value
	(In thousands)		(In thousands)		(In thousands US \$)	
Obligations of, or guaranteed by, Canada	\$ 76,844	\$ 76,844	\$3,575,600	\$3,586,795	\$ --	\$ --
Obligations of the Province of British Columbia	26,029	26,032	132,448	132,514	--	--
Obligations of, or guaranteed by, other provinces	6,979	6,980	176,594	176,765	--	--
Obligations of, or guaranteed by, savings institutions	956,609	956,681	256,586	256,800	52,039	52,037
Commercial paper issued by corporations incorporated under the laws of Canada or a province	<u>218,794</u>	<u>218,812</u>	--	--	--	--
<b>Total Investments</b>	<u><u>\$1,285,255</u></u>	<u><u>\$1,285,349</u></u>	<u><u>\$4,141,228</u></u>	<u><u>\$4,152,874</u></u>	<u><u>\$52,039</u></u>	<u><u>\$52,037</u></u>

**PROVINCE OF BRITISH COLUMBIA  
POOLED INVESTMENT PORTFOLIOS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1993**

### The Portfolios

The Financial Administration Act, Section 36.1, subsection 1, authorizes the Minister of Finance and Corporate Relations to establish and operate pooled investment portfolios "... in which the money from trust funds, special funds or other funds, other public money and the money of government bodies may be combined in common for the purpose of investment by means of investment units of participation in a pooled investment portfolio."

The Portfolios consist of investments, authorized by Section 36, subsection 1 and 4, and Section 36.1, subsection 7, of the Financial Administration Act.

Fund ST1 was established by the Minister on April 21, 1986, and invests in Canadian money market investments maturing within one month.

Fund ST2 was established by the Minister on September 19, 1986, and invests in Canadian money market investments maturing within one year.

Fund ST3 was established by the Minister on August 1, 1990, and invests in U.S. money market investments maturing within one year.

Participation in each Portfolio is expressed in units, each unit giving its holder a proportionate share in the net equity. Unitholders may only acquire and redeem units on respective valuation dates. The value of a unit is \$1 million on establishment, and on subsequent valuation dates is determined by dividing the market value of the net assets of the Portfolio by the total number of units outstanding.

### Significant Accounting Policies

#### a) Valuation of Investments

Short term investments are valued at market derived from external quotations.

#### b) Investment Transactions and Income

Investment transactions are accounted for on the trade date basis. Realized gains and losses and unrealized appreciation or depreciation of investments are calculated based on the amortized cost. The amortized cost is the cost of acquisition adjusted by amortization of discounts and premiums on a true constant yield basis over the terms of the investments.

### Unitholders' Equity

There is no limitation on the number of Portfolio units available for issue. The following is a summary of the changes in units outstanding during the year.

	FUND ST1		FUND ST2		FUND ST3	
	1993	1992	1993	1992	1993	1992
Outstanding, beginning of year	445.387	517.190	2,447.002	3,099.411	125.708	70.582
Issued	9,124.242	10,601.889	766.802	1,059.617	160.462	127.719
Redeemed	(8,883.433)	(10,673.692)	(991.043)	(1,712.026)	(240.821)	(72.593)
Outstanding, end of year	<u>686.196</u>	<u>445.387</u>	<u>2,222.761</u>	<u>2,447.002</u>	<u>45.349</u>	<u>125.708</u>



**PROVINCE OF BRITISH COLUMBIA  
POOLED INVESTMENT PORTFOLIOS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1993**

**Administration Costs**

Administration costs are borne by the Minister of Finance and Corporate Relations. The Minister recovers these costs by charging the unitholders a management fee. This fee is calculated based on the market value of the unitholders' investment holdings administered by the Provincial Treasury.

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# Province of British Columbia Pooled Investment Portfolios

## Group of Funds

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Indexed Canadian Equity Fund  
Active Canadian Equity Fund  
Customized U.S. Equity Fund

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## Financial Statements

For the period ended March 31, 1993

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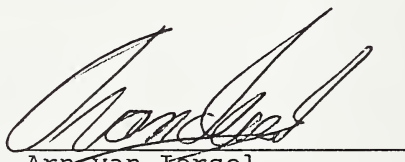
## Province of British Columbia Pooled Investment Portfolios

## STATEMENT OF RESPONSIBILITY

*To the Minister of Finance and Corporate Relations:*

Responsibility for the integrity, objectivity and the preparation of the accompanying financial statements rests with the management of the Provincial Treasury. The financial statements are prepared in accordance with generally accepted accounting principles consistently applied. Systems of internal controls are in place to provide reasonable assurance that transactions are appropriately authorized, assets are safeguarded and financial records are properly maintained to provide reliable financial statements.

The Auditor General of the Province of British Columbia conducts an independent examination, in accordance with generally accepted auditing standards, and provides an independent professional opinion on the financial statements.



---

Arn van Iersel  
Director  
Banking/Cash Management  
Provincial Treasury

Victoria, British Columbia  
June 18, 1993



Auditor General of British Columbia

## AUDITOR'S REPORT

8 Bastion Square  
Victoria, British Columbia  
V8V 1X4

(604) 387-6803  
Fax (604) 387-1230

*To the Minister of Finance and Corporate Relations,  
Province of British Columbia:*

I have audited the statement of net assets of the Province of British Columbia Pooled Investment Portfolios, being the Indexed Canadian Equity Fund, Active Canadian Equity Fund and Customized U.S. Equity Fund, as at March 31, 1993, the statement of changes in net assets for the period then ended, and the statement of investments as at March 31, 1993. These financial statements are the responsibility of the Portfolios' management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Indexed Canadian Equity Fund, Active Canadian Equity Fund and Customized U.S. Equity Fund, as at March 31, 1993 and the changes in fund net assets for the period then ended in accordance with generally accepted accounting principles.

A handwritten signature in dark ink, appearing to read "George L. Morfitt".

George L. Morfitt, FCA  
Auditor General

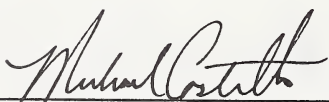
*Victoria, British Columbia  
June 18, 1993*


**PROVINCE OF BRITISH COLUMBIA POOLED INVESTMENT PORTFOLIOS  
STATEMENTS OF NET ASSETS  
AS AT MARCH 31, 1993**

	<b>INDEXED CANADIAN EQUITY FUND</b>		<b>ACTIVE CANADIAN EQUITY FUND</b>	
	<b>1993</b>	<b>1992</b>	<b>1993</b>	<b>1992</b>
	<b>(In thousands)</b>		<b>(In thousands)</b>	
Investments at market value	\$1,869,148	\$1,493,609	\$789,937	\$585,220
Cash	1,840	138	895	1,933
Receivable from sale of investments	155	--	5,563	--
Accrued investment income	<u>6,786</u>	<u>6,566</u>	<u>2,152</u>	<u>2,035</u>
<b>Total assets</b>	<u>1,877,929</u>	<u>1,500,313</u>	<u>798,547</u>	<u>589,188</u>
Payable for investments purchased	2,440	5,034	6,415	5,455
External management fees payable	<u>--</u>	<u>--</u>	<u>392</u>	<u>303</u>
<b>Total liabilities</b>	<u>2,440</u>	<u>5,034</u>	<u>6,807</u>	<u>5,758</u>
 Net assets representing unitholders' equity	 <u>\$1,875,489</u>	 <u>\$1,495,279</u>	 <u>\$791,740</u>	 <u>\$583,430</u>
Number of units outstanding (note 3)	<u>1,910,217</u>	<u>1,606,081</u>	<u>637,683</u>	<u>511,130</u>
 Net asset value per unit	 <u>\$ 982</u>	 <u>\$ 931</u>	 <u>\$ 1,242</u>	 <u>\$ 1,141</u>

The five accompanying notes are an integral part of these financial statements.

Approved on behalf of the Minister of Finance and Corporate Relations:

  
\_\_\_\_\_  
Michael Costello  
Deputy Minister  
Ministry of Finance and  
Corporate Relations

  
\_\_\_\_\_  
Brenda Eaton  
Assistant Deputy Minister  
Provincial Treasury  
Ministry of Finance and  
Corporate Relations

**CUSTOMIZED U.S.  
EQUITY FUND**

---

**1993**

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**(In thousands)**

\$41,853

65

208

9742,223

152

--152\$42,07129,482\$ 1,427



**PROVINCE OF BRITISH COLUMBIA POOLED INVESTMENT PORTFOLIOS**  
**STATEMENTS OF CHANGES IN NET ASSETS**  
**FOR THE PERIOD ENDED MARCH 31, 1993 (SEE NOTE 1)**

	INDEXED CANADIAN EQUITY FUND		ACTIVE CANADIAN EQUITY FUND	
	1993	1992	1993	1992
	(In thousands)		(In thousands)	
Net assets, beginning of period	<u>\$1,495,279</u>	<u>\$ 861,678</u>	<u>\$583,430</u>	<u>\$292,359</u>
Changes during the period:				
Investment activities:				
Investment income	53,058	44,250	21,738	19,933
Net realized gain (loss) on sale of investments	(21,908)	(14)	(4,459)	899
Change in unrealized appreciation (depreciation) of investments	<u>67,610</u>	<u>(50,395)</u>	<u>47,388</u>	<u>(12,805)</u>
	<u>98,760</u>	<u>(6,159)</u>	<u>64,667</u>	<u>8,027</u>
Capital transactions:				
Proceeds from units issued	281,450	639,760	145,000	284,041
Amounts paid for units redeemed	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
	<u>281,450</u>	<u>639,760</u>	<u>145,000</u>	<u>284,041</u>
Expenses:				
External management fees (note 4)	<u>--</u>	<u>--</u>	<u>1,357</u>	<u>997</u>
Net increase during the period	<u>380,210</u>	<u>633,601</u>	<u>208,310</u>	<u>291,071</u>
Net assets, end of period	<u>\$1,875,489</u>	<u>\$1,495,279</u>	<u>\$791,740</u>	<u>\$583,430</u>

**CUSTOMIZED U.S.  
EQUITY FUND**

---

**1993**

---

**(In thousands)****\$ --**

979

54

3,7214,754

37,317

--37,317--42,071\$42,071

**PROVINCE OF BRITISH COLUMBIA POOLED INVESTMENT PORTFOLIOS  
STATEMENTS OF INVESTMENTS  
AS AT MARCH 31, 1993**

	INDEXED CANADIAN EQUITY FUND			ACTIVE CANADIAN EQUITY FUND		
	Average Cost	Market Value	% of Total	Average Cost	Market Value	% of Total
	(In thousands)			(In thousands)		
Equity Investments						
Mincs and Minerals	\$ 130,710	\$ 123,387	6.60	\$ 53,816	\$ 54,464	6.90
Gold and Silver	129,747	153,860	8.23	36,912	44,043	5.57
Oil and Gas	160,929	165,955	8.88	73,153	86,534	10.96
Paper and Forest Products	49,209	41,559	2.22	27,157	31,398	3.98
Consumer Products	163,632	186,907	10.00	75,522	84,317	10.67
Industrial Products	229,706	218,392	11.69	95,736	98,096	12.42
Real Estate and Construction	18,001	7,756	0.42	5,628	3,035	0.38
Transportation and Environment	53,814	35,106	1.88	20,326	18,346	2.32
Pipelines	54,810	57,022	3.05	14,248	15,092	1.91
Utilities	215,687	227,548	12.17	31,539	33,208	4.20
Communication and Media	97,810	105,790	5.66	38,444	42,653	5.40
Merchandising	70,027	60,961	3.26	32,195	30,937	3.92
Financial Services	322,414	347,975	18.62	145,296	151,697	19.20
Management Companies	<u>95,722</u>	<u>96,137</u>	<u>5.14</u>	<u>31,161</u>	<u>31,095</u>	<u>3.94</u>
	<u>1,792,218</u>	<u>1,828,355</u>	<u>97.82</u>	<u>681,133</u>	<u>724,915</u>	<u>91.77</u>
Investment Funds	--	--	--	30,542	35,946	4.55
Convertible Debentures	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,255</u>	<u>6,338</u>	<u>0.80</u>
	<u>--</u>	<u>--</u>	<u>--</u>	<u>35,797</u>	<u>42,284</u>	<u>5.35</u>
Short Term Investments						
Units in Province of British Columbia Pooled Investment Portfolio Fund ST1	40,794	40,793	2.18	678	678	0.09
Short term notes	<u>--</u>	<u>--</u>	<u>--</u>	<u>22,041</u>	<u>22,060</u>	<u>2.79</u>
	<u>40,794</u>	<u>40,793</u>	<u>2.18</u>	<u>22,719</u>	<u>22,738</u>	<u>2.88</u>
Total Investments	<u>\$1,833,012</u>	<u>\$1,869,148</u>	<u>100.00</u>	<u>\$739,649</u>	<u>\$789,937</u>	<u>100.00</u>

**PROVINCE OF BRITISH COLUMBIA POOLED INVESTMENT PORTFOLIOS  
STATEMENTS OF INVESTMENTS  
AS AT MARCH 31, 1993**

**CUSTOMIZED U.S.  
EQUITY FUND**

Average Cost	Market Value	% of Total
(In thousands)		

**Equity Investments**

Consumer Discretionary	\$ 1,673	\$ 1,842	4.40
Consumer Staple	11,931	12,232	29.22
Financial Services	3,989	4,991	11.93
Health Care	4,575	4,089	9.77
Integrated Oil	4,203	4,762	11.38
Materials and Processing	562	750	1.79
Producer Durables	601	727	1.74
Technology	3,736	3,841	9.18
Utilities	6,249	7,730	18.47
Insurance	355	458	1.09
Chemical	<u>276</u>	<u>331</u>	<u>0.79</u>
	<u>\$38,150</u>	<u>\$41,753</u>	<u>99.76</u>

**Short Term Investments**

Units in Province of British Columbia Pooled Investment Portfolio Fund ST3	<u>100</u>	<u>100</u>	<u>0.24</u>
<b>Total Investments</b>	<u>\$38,250</u>	<u>\$41,853</u>	<u>100.00</u>

**PROVINCE OF BRITISH COLUMBIA  
POOLED INVESTMENT PORTFOLIOS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED MARCH 31, 1993 (SEE NOTE 1)**

### **The Portfolios**

The Financial Administration Act, Section 36.1, subsection 1, authorizes the Minister of Finance and Corporate Relations to establish and operate pooled investment portfolios "... in which the money from trust funds, special funds or other funds, other public money and the money of government bodies may be combined in common for the purpose of investment by means of investment units of participation in a pooled investment portfolio."

The Portfolios consist of investments, authorized by Section 36, subsection 1 and 4, and Section 36.1, subsection 7, of the Financial Administration Act.

The Indexed Canadian Equity Fund was established by the Minister on December 12, 1989, and invests primarily in common stock of the Canadian companies that comprise the Toronto Stock Exchange 300 Composite Index.

The Active Canadian Equity Fund was established by the Minister on July 26, 1990, and invests primarily in diversified portfolios of common shares of Canadian companies.

The Customized U.S. Equity Fund was established by the Minister on April 8, 1992, and invests primarily in common stock of U.S. companies that comprise the Frank Russell 1,000 Composite Index.

Participation in each Portfolio is expressed in units, each unit giving its holder a proportionate share in the net equity. Unitholders may only acquire and redeem units on respective valuation dates. The value of a unit is \$1 million on establishment, and on subsequent valuation dates is determined by dividing the market value of the net assets of the Portfolio by the total number of units outstanding. For the Customized U.S. Equity Fund, the \$1 million unit value equated to \$1.189 million in translated Canadian dollars on the April 8, 1992, date of establishment. The financial statements of the Customized U.S. Equity Fund are presented in Canadian dollars.

### **Significant Accounting Policies**

#### **a) Valuation of Investments**

Securities listed on a recognized public stock exchange are valued at their closing sale price. Securities not traded on that date are valued at the mean price between the latest bid and asked price. Securities not listed on any recognized public stock exchange, or which are traded over-the-counter, are valued in the same manner based on available public quotations from recognized dealers in such securities or at the price estimated by the fund manager to be the fair value.

Short term investments are valued at market derived from external quotations.

#### **b) Investment Transactions and Income**

Investment transactions are accounted for on the trade date basis. Dividend income is recognized on the ex-dividend date, and interest income on the accrual basis. Realized gains and losses and unrealized appreciation or depreciation of investments are calculated based on the average cost for equity investments, and amortized cost for short term investments. The amortized cost is the cost of acquisition adjusted by amortization of discounts and premiums on a true constant yield basis over the terms of the investments.

#### **c) Foreign Currency Translation**

Assets and liabilities in foreign currencies are translated into Canadian dollars at fiscal year-end exchange rate. Income, purchases and sales of investments are translated at the rate prevailing on the respective dates of such transactions.

**PROVINCE OF BRITISH COLUMBIA  
POOLED INVESTMENT PORTFOLIOS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED MARCH 31, 1993 (SEE NOTE 1)**

**Unitholders' Equity**

There is no limitation on the number of Portfolio units available for issue. The following is a summary of the changes in units outstanding during the respective periods.

	INDEXED CANADIAN EQUITY FUND		ACTIVE CANADIAN EQUITY FUND		CUSTOMIZED U.S. EQUITY FUND
	1993	1992	1993	1992	1993
Outstanding, beginning of period	1,606.081	928.665	511.130	261.765	--
Issued	304.136	677.416	126.553	249.365	29.482
Redeemed	--	--	--	--	--
Outstanding, end of period	<u>1,910.217</u>	<u>1,606.081</u>	<u>637.683</u>	<u>511.130</u>	<u>29.482</u>

**External Management Fees**

Management fees are paid by the Active Canadian Equity Fund to external fund managers for providing investment management and advisory services.

**Related Party Transactions**

All inter-portfolio transactions are conducted at market value.

Administration costs are borne by the Minister of Finance and Corporate Relations. The Minister recovers these costs by charging the unitholders a management fee. This fee is calculated based on the market value of the unitholders' investment holdings administered by the Provincial Treasury.





**Summary of Financial Statements  
of Corporations and Agencies to which  
the *Financial Information Act* Applies**

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Summary of Hospital Societies .....	8
Summary of Municipalities and Regional Districts.....	11
Summary of Other Public Bodies .....	15



## **Introduction to Summaries of Financial Statements of Corporations and Agencies to which the *Financial Information Act* Applies**

This section of the Public Accounts contains summaries of the financial statements of corporations required to report under the *Financial Information Act*, (S.B.C. 1985, chapter 8, sec. 2).

Corporation means corporation, association, board, commission, society or public body as defined in this Act.

Information required to be prepared under the *Financial Information Act* for each fiscal year shall include:

- a statement of assets and liabilities;
- an operational statement;
- a schedule of the amount of debts;
- a schedule of guarantees and indemnity agreements;
- a schedule showing in respect of each employee earning more than a prescribed amount, the total remuneration paid to the employee and total amount paid for his expenses, and a consolidated total of all remuneration paid to all other employees; and
- a schedule showing the total amount paid to each supplier of goods or services during the fiscal year that exceeds a prescribed amount, and a consolidated total of all other payments made to suppliers of goods or services during that fiscal year.

These summary statements do not contain the detailed financial information listed above for each entity. They are only intended to give the reader an overview of the size and scope of the entities to which the *Financial Information Act* applies. Reporting entities, included in the summary statements of section B, are not included in section E.

Complete financial statements may be obtained from the corporation on payment of a prescribed fee.



**Summary of Audited Financial Statements of Public Bodies  
Reporting under the *Financial Information Act*  
for the Year Ended March 31, 1992  
(Unaudited)**

	(In Thousands)					
	Balance Sheet			Operating Statement		
	Assets \$	Liabilities \$	Equity \$	Revenue \$	Expenditure \$	Surplus \$
<b>Colleges and Universities</b>						
British Columbia Institute of Technology .....	168,345	58,336	110,009	120,566	120,337	229
Camosun College .....	79,897	49,086	30,811	52,787	53,431	(644)
Capilano College .....	61,442	29,708	31,734	40,817	42,593	(1,776)
Cariboo College .....	70,312	43,362	26,950	58,276	57,064	1,212
College of New Caledonia .....	37,381	12,557	24,824	29,835	29,528	307
Douglas College .....	75,277	46,170	29,107	34,650	34,799	(149)
East Kootenay Community College .....	29,301	17,952	11,349	15,816	13,897	1,919
Emily Carr College of Art and Design .....	13,850	6,216	7,634	11,752	11,937	(185)
Fraser Valley College .....	41,881	25,279	16,602	26,151	26,177	(26)
Justice Institute .....	8,000	1,680	6,320	12,920	12,630	290
Kwantlen College .....	88,969	67,958	21,011	31,872	31,508	364
Malaspina College .....	56,699	24,340	32,359	42,544	43,461	(917)
North Island College .....	29,340	20,170	9,170	14,373	14,735	(362)
Northern Lights College .....	34,406	20,249	14,157	17,453	18,153	(700)
Northwest Community College .....	26,690	3,146	23,544	13,565	13,387	178
Okanagan College .....	97,074	60,395	36,679	75,493	75,104	389
Open Learning Agency .....	38,252	28,430	9,822	47,835	47,737	98
Pacific Marine Training Institute .....	14,766	7,022	7,744	6,136	6,338	(202)
Selkirk College .....	28,988	11,012	17,976	27,138	27,731	(593)
Simon Fraser University .....	388,665	150,111	238,554	251,734	243,515	8,219
University of British Columbia .....	1,056,037	313,580	742,457	677,108	642,773	34,335
University of Northern British Columbia .....	13,349	7,345	6,004	14,797	10,027	4,770
University of Victoria .....	313,056	73,052	240,004	196,055	190,119	5,936
Vancouver Community College .....	151,803	84,946	66,857	109,962	113,104	(3,142)
	<u>2,923,780</u>	<u>1,162,102</u>	<u>1,761,678</u>	<u>1,929,635</u>	<u>1,880,085</u>	<u>49,550</u>

The figures on this schedule are a summation of the most recent audited financial statements available for individual Universities, Colleges and Institutes. Totals are shown only to give the reader an idea of the scope of the organizations on a collective basis. Financial statements of individual entities may be requested. (See E3).



**Summary of Audited Financial Statements of Public Bodies  
Reporting Under the *Financial Information Act*  
for the Year Ended June 30, 1992  
(Unaudited)**

School Districts	(In Thousands)					
	Balance Sheet			Operating Statement		
	Assets \$	Liabilities \$	Equity \$	Income \$	Expenditure \$	Surplus \$
01 Fernie.....	51,955	24,387	27,568	24,228	23,897	331
02 Cranbrook.....	34,993	12,899	22,094	25,564	25,465	99
03 Kimberley.....	18,708	7,537	11,171	12,525	12,155	370
04 Windermere.....	14,701	6,515	8,186	9,424	9,167	257
07 Nelson.....	41,059	18,564	22,495	25,638	24,953	685
09 Castlegar.....	31,366	15,384	15,982	15,205	14,736	469
10 Arrow Lakes.....	14,345	9,028	5,317	7,608	7,171	437
11 Trail.....	42,871	12,926	29,945	23,891	22,718	1,173
12 Grand Forks.....	17,721	10,569	7,152	10,176	9,869	307
13 Kettle Valley.....	9,868	5,278	4,590	5,022	4,957	65
14 South Okanagan.....	23,966	11,057	12,909	15,419	14,954	465
15 Penticton.....	38,875	20,179	18,696	30,004	29,616	388
16 Keremeos.....	10,466	5,630	4,836	5,448	4,963	485
17 Princeton.....	12,804	6,094	6,710	6,628	6,318	310
18 Golden.....	20,723	13,708	7,015	10,476	10,234	242
19 Revelstoke.....	22,012	10,555	11,457	11,603	11,495	108
21 Armstrong–Spallumcheen.....	14,403	7,645	6,758	10,677	10,552	125
22 Vernon.....	68,371	31,866	36,505	51,232	48,277	2,955
23 Central Okanagan.....	141,399	69,396	72,003	97,792	97,497	295
24 Kamloops.....	131,261	56,000	75,261	90,327	89,963	364
26 North Thompson.....	13,659	2,877	10,782	8,185	7,739	446
27 Cariboo–Chilcotin.....	71,329	30,727	40,602	55,928	55,755	173
28 Quesnel.....	46,063	18,598	27,465	34,613	34,360	253
29 Lillooet.....	16,518	9,474	7,044	9,650	8,938	712
30 Ashcroft.....	14,312	3,706	10,606	11,094	10,991	103
31 Merritt.....	16,939	6,880	10,059	13,647	12,529	1,118
32 Hope.....	16,353	7,462	8,891	11,137	11,105	32
33 Chilliwack.....	53,879	25,154	28,725	53,621	52,734	887
34 Abbotsford.....	150,784	98,534	52,250	84,597	84,224	373
35 Langley.....	176,145	112,377	63,768	103,296	104,422	(1,126)
36 Surrey.....	372,135	256,733	27,568	248,873	250,367	(1,494)
37 Delta.....	106,772	31,107	27,568	94,904	93,483	1,421
38 Richmond.....	145,763	79,019	27,568	111,895	113,663	(1,768)
39 Vancouver.....	297,346	85,334	27,568	330,717	335,174	(4,457)
40 New Westminster.....	34,524	17,490	27,568	28,956	27,661	1,295
41 Burnaby.....	129,550	61,001	27,568	108,115	105,819	2,296
42 Maple Ridge–Pitt Meadows.....	129,630	91,818	27,568	72,974	72,098	876
43 Coquitlam.....	171,598	74,862	27,568	134,334	132,872	1,462
44 North Vancouver.....	97,436	32,409	27,568	93,700	95,657	(1,957)
45 West Vancouver.....	37,869	10,785	27,568	32,364	32,624	(260)
46 Sunshine Coast.....	37,742	19,074	27,568	23,505	23,233	272
47 Powell River.....	27,138	9,784	27,568	21,080	20,536	544
48 Howe Sound.....	50,417	20,332	27,568	23,934	23,718	216
49 Central Coast.....	8,861	3,196	27,568	4,433	4,437	(4)
50 Queen Charlotte.....	10,441	3,113	27,568	8,864	8,857	7
52 Prince Rupert.....	52,041	31,579	27,568	26,787	25,404	1,383
54 Bulkley Valley.....	32,060	16,894	27,568	19,093	18,963	130
55 Burns Lake.....	23,174	11,056	27,568	13,862	13,294	568
56 Nechako.....	38,485	16,695	27,568	25,295	24,682	613
57 Prince George.....	157,613	60,112	27,568	115,491	114,728	763
59 Peace River South.....	59,008	28,417	27,568	40,620	38,561	2,059
60 Peace River North.....	61,685	33,490	27,568	35,858	35,707	151
61 Greater Victoria.....	150,689	54,315	27,568	128,548	132,701	(4,153)
62 Sooke.....	61,935	32,383	27,568	47,409	47,140	269

**Summary of Audited Financial Statements of Public Bodies  
Reporting Under the *Financial Information Act*  
for the Year Ended June 30, 1992—Continued  
(Unaudited)**

(In Thousands)						
	Balance Sheet			Operating Statement		
	Assets \$	Liabilities \$	Equity \$	Income \$	Expenditure \$	Surplus \$
<b>School Districts</b>						
63 Saanich .....	65,631	35,717	27,568	45,068	42,894	2,174
64 Gulf Islands .....	21,709	12,399	27,568	12,631	12,491	140
65 Cowichan .....	47,813	16,698	27,568	44,220	45,574	(1,354)
66 Lake Cowichan .....	15,513	8,928	27,568	7,989	8,157	(168)
68 Nanaimo .....	125,957	68,242	27,568	85,159	85,298	(139)
69 Qualicum .....	45,285	26,228	27,568	27,698	27,029	669
70 Alberni .....	36,888	7,828	27,568	36,996	36,846	150
71 Courtenay .....	55,595	27,651	27,568	48,954	48,408	546
72 Campbell River .....	62,172	27,828	34,344	42,750	42,368	382
75 Mission .....	70,276	51,903	18,373	39,018	38,204	814
76 Agassiz-Harrison .....	7,148	2,868	4,280	5,883	5,828	55
77 Summerland .....	13,619	6,820	6,799	10,079	9,867	212
80 Kitimat .....	25,307	8,293	17,014	15,581	15,182	399
81 Fort Nelson .....	15,363	6,480	8,883	8,306	7,921	385
84 Vancouver Island West .....	12,607	3,883	8,724	6,888	6,943	(55)
85 Vancouver Island North .....	44,189	19,992	24,197	21,632	20,850	782
86 Creston-Kaslo .....	26,245	13,933	12,312	16,448	16,328	120
87 Stikine .....	26,819	18,044	8,775	8,236	7,590	646
88 Terrace .....	68,686	33,758	34,928	37,220	35,841	1,379
89 Shuswap .....	60,418	25,867	34,551	35,415	35,901	(486)
92 Nisga'a .....	12,424	3,222	9,202	5,886	5,892	(6)
	<u>4,491,424</u>	<u>2,178,586</u>	<u>2,312,838</u>	<u>3,228,323</u>	<u>3,208,545</u>	<u>19,778</u>

The figures on this schedule are a summation taken from the audited financial statements of individual School Districts. Totals are shown only to give the reader an idea of the scope of the organization on a collective basis. The financial statements of individual School Districts may be requested. (See E3).

**Summary of Audited Financial Statements of Public Bodies  
Reporting Under the *Financial Information Act*  
for the Year Ended March 31, 1992  
(Unaudited)**

	Balance Sheet			Operating Statement		
	Assets \$	Liabilities \$	Equity \$	Income \$	Expenditure \$	Surplus \$
<b>Hospital Societies</b>						
100 Mile District Hospital Society .....	4,683	427	4,256	5,128	4,979	149
Arbutus Society for Children .....	12,331	12,113	218	15,560	16,416	(856)
Armstrong & Spallumcheen Health Care Society	8,939	8,902	37	8,266	8,268	(2)
Arrow Lakes Hospital Society .....	1,917	2,103	(186)	2,585	2,584	1
Arthritis Society The .....	7,756	3,627	4,129	7,467	7,237	230
Ashcroft and District General Hospital .....	2,293	2,185	108	2,971	2,966	5
Barriere & District Health Society .....	674	604	70	458	432	26
Bella Coola General Hospital .....	1,583	1,593	(10)	1,772	1,720	52
Boundary Hospital Society .....	6,902	1,445	5,457	8,002	7,699	303
British Columbia Cancer Agency .....	76,310	23,120	53,190	90,665	90,033	632
British Columbia Children's Hospital .....	40,105	34,841	5,264	109,792	110,097	(305)
British Columbia Rehabilitation Society .....	15,455	16,133	(678)	39,450	39,389	61
Bulkley Valley District Hospital Society .....	5,041	5,281	(240)	7,106	7,039	67
Burnaby Hospital Society .....	39,522	46,336	(6,814)	69,968	70,952	(984)
Burns Lake & District Hospital Society .....	4,043	1,486	2,557	3,416	3,469	(53)
Campbell River & Dist. Gen. Hospital Society .	19,391	20,644	(1,253)	18,202	18,175	27
Cariboo Memorial Hospital Society .....	11,183	11,940	(757)	13,698	13,690	8
Cassiar Hospital Society The .....	531	111	420	938	892	46
Castlegar & District Hospital Society .....	11,794	11,540	254	7,523	7,398	125
Chase & District Health Society .....	965	935	30	574	552	22
Chemainus General Hospital .....	1,643	1,367	276	2,537	2,527	10
Chetwynd & District Hospital Society .....	1,915	1,743	172	2,317	2,334	(17)
Chilliwack General Hospital Society .....	39,908	41,660	(1,752)	33,157	33,090	67
Cowichan District Hospital Association The....	13,325	13,684	(359)	25,074	24,955	119
Cranbrook Regional Hospital Society .....	25,421	26,145	(724)	18,682	18,387	295
Creston Valley Hospital Association .....	3,815	727	3,088	5,584	5,727	(143)
Cumberland Health Care Society .....	2,038	1,951	87	2,155	2,160	(5)
Dawson Creek & District Hospital Society .....	8,024	8,049	(25)	11,823	12,089	(266)
Delta Centennial Hospital Society .....	8,405	8,797	(392)	16,576	16,633	(57)
Dr. Helmcken Memorial Hospital Society .....	963	927	36	1,557	1,557	0
Elkford & Dist. D & T Centre Society .....	1,051	1,008	43	674	635	39
Fernie District Hospital Society .....	2,691	2,711	(20)	4,834	4,809	25
Fort Nelson Hospital Society .....	3,621	430	3,191	3,374	3,285	89
Fort St. John & District Hospital Society .....	9,044	8,927	117	10,772	10,937	(165)
Fraser Canyon Hospital Association .....	6,439	647	5,792	5,345	5,458	(113)
Fraser Lake & District Health Society .....	1,689	64	1,625	723	685	38
Fraser-Burrard Hospital Society The .....	117,921	124,705	(6,784)	140,545	140,241	304
Gold River Health Clinic Society .....	827	822	5	444	458	(14)
Golden & District General Hospital Society ....	2,627	2,941	(314)	3,711	3,637	74
Greater Victoria Hospital Society The .....	124,140	133,060	(8,920)	264,075	264,036	39
G.R. Baker Memorial Hospital Society .....	18,328	18,631	(303)	12,632	12,607	25
Holy Family Hospital .....	7,018	7,414	(396)	13,956	14,184	(228)
Houston Health Care Services Society .....	1,711	1,408	303	905	914	(9)
Hudson's Hope Health Care Society .....	607	515	92	483	478	5
Invermere District Hospital Association The....	7,978	7,966	12	3,330	3,382	(52)
Juan de Fuca Hospital Society .....	20,153	21,498	(1,345)	26,516	26,410	106
Kelowna & District Hospital Society .....	77,850	81,237	(3,387)	85,262	85,253	9
Keremeos Diagnostic & Treatment Centre .....	465	389	76	400	402	(2)
Kimberley & District Hospital Society .....	3,727	4,088	(361)	4,794	4,712	82
Kitimat General Hospital Society .....	6,432	6,249	183	8,914	8,861	53
Kootenay Lake District Hospital .....	8,703	8,804	(101)	13,831	13,667	164
Lady Minto Gulf Islands Hospital The .....	3,658	3,416	242	4,012	4,005	7
Ladysmith & District Hospital Association .....	2,458	2,744	(286)	4,154	4,079	75

**Summary of Audited Financial Statements of Public Bodies  
Reporting Under the *Financial Information Act*  
for the Year Ended March 31, 1992—Continued  
(Unaudited)**

	(In Thousands)					
	Balance Sheet			Operating Statement		
	Assets \$	Liabilities \$	Equity \$	Income \$	Expenditure \$	Surplus \$
<b>Hospital Societies</b>						
Langley Memorial Hospital .....	30,886	33,496	(2,610)	35,263	35,027	236
Lillooet District Hospital Society .....	4,273	4,322	(49)	2,834	2,825	9
Logan Lake Health Care Society .....	619	518	101	412	426	(14)
Louis Brier Hospital .....	10,511	10,568	(57)	5,252	5,283	(31)
Mackenzie Hospital Society .....	1,142	277	865	1,960	1,964	(4)
Maple Ridge Hospital Association .....	26,299	27,566	(1,267)	30,052	29,677	375
Matsqui—Sumas—Abbotsford Gen.Hospital Society	24,877	20,727	4,150	42,285	42,907	(622)
McBride & District Hospital Society .....	1,400	1,605	(205)	1,884	1,942	(58)
Mennonite Benevolent Society .....	3,834	3,561	273	3,867	3,671	196
Mission Memorial Hospital Society .....	8,688	11,286	(2,598)	17,221	17,496	(275)
Mount Saint Joseph Hospital Society .....	21,037	23,067	(2,030)	26,160	25,508	652
Mount St. Francis Hospital .....	2,716	2,288	428	4,354	4,059	295
Mount St. Mary Hospital .....	3,082	2,101	981	6,235	6,038	197
Nanaimo Regional General Hospital Society...	57,624	59,208	(1,584)	57,351	57,592	(241)
Nicola Valley Health Care Society .....	6,963	7,034	(71)	6,702	6,725	(23)
Nisga'a Valley Health Board .....	2,915	170	2,745	574	580	(6)
North and West Vancouver Hospital Society The	63,263	64,667	(1,404)	96,331	96,243	88
Omineca Hospital Society .....	2,248	2,561	(313)	3,607	3,611	(4)
Omineca Hospital Society (Stuart Lake Hosp.).	1,657	1,396	261	2,126	2,132	(6)
Overlander Hospital Society .....	8,093	7,986	107	10,454	10,487	(33)
Pacific Health Care Society .....	17,787	17,947	(160)	20,418	20,263	155
Peace Arch District Hospital Society .....	35,226	37,174	(1,948)	38,622	38,924	(302)
Pemberton & District Hospital Society .....	754	705	49	497	489	8
Pentiction Hospital Society .....	34,792	35,928	(1,136)	38,803	37,939	864
Port Alice Hospital Society .....	498	314	184	757	726	31
Port Hardy Hospital Society .....	4,053	3,867	186	2,791	2,861	(70)
Port McNeil & District Hospital Society .....	1,843	1,000	843	1,763	1,754	9
Pouce Coupe Community Hospital Society .....	3,144	2,898	246	3,039	2,853	186
Powell River Hospital Society .....	23,102	24,069	(967)	13,438	13,498	(60)
Prince George and District Hospital Society ....	42,159	44,273	(2,114)	58,827	60,009	(1,182)
Prince Rupert Regional Hospital Association ...	7,933	8,707	(774)	13,748	14,083	(335)
Princeton Hospital Society .....	2,225	2,119	106	2,949	2,998	(49)
Queen Charlotte Islands Hospital Society .....	1,928	1,421	507	2,434	2,382	52
Revelstoke District Health Society .....	4,844	4,482	362	4,332	4,319	13
Richmond Hospital Society .....	32,063	34,169	(2,106)	40,544	40,215	329
Rossland Hospital Society The .....	1,790	1,400	390	2,627	2,499	128
Royal Inland Hospital .....	49,931	53,474	(3,543)	67,499	66,573	926
R.W. Large Memorial Hospital of the United Church of Canada .....	1,677	1,654	23	1,674	1,662	12
Saanich Peninsula Hospital Society .....	8,068	9,615	(1,547)	19,211	19,704	(493)
Salvation Army Grace Hospital The .....	14,813	13,609	1,204	42,105	41,880	225
Shuswap Lake Health Care Society .....	13,186	13,842	(656)	14,775	14,629	146
Slocan Community Hospital & Health Care Soc	3,226	3,308	(82)	1,254	1,261	(7)
South Okanagan Hospital Society .....	5,178	5,289	(111)	7,802	7,712	90
Sparwood General Hospital Society .....	4,104	4,277	(173)	3,151	3,175	(24)
Squamish Health Care Society .....	11,456	11,363	93	5,826	6,103	(277)
Stewart General Hospital Association .....	1,318	829	489	1,003	916	87
St. Bartholomew's Hospital Society The .....	626	619	7	1,454	1,469	(15)
St. George's Hospital Society .....	1,420	969	451	2,202	2,186	16
St. Joseph's General Hospital .....	14,442	15,315	(873)	24,226	24,223	3
St. Mary's Hospital Society .....	11,161	11,533	(372)	10,425	10,394	31
St. Mary's Hospital (New Westminster) .....	9,477	11,397	(1,920)	24,964	24,989	(25)

**Summary of Audited Financial Statements of Public Bodies  
Reporting Under the *Financial Information Act*  
for the Year Ended March 31, 1992—Continued  
(Unaudited)**

	(In Thousands)					
	Balance Sheet			Operating Statement		
	Assets \$	Liabilities \$	Equity \$	Income \$	Expenditure \$	Surplus \$
<b>Hospital Societies</b>						
St. Michael's Centre Hospital Society .....	12,166	11,654	512	4,902	4,256	646
St. Paul's Hospital .....	137,114	141,388	(4,274)	148,953	147,139	1,814
St. Vincent's Health Care Society .....	28,652	23,814	4,838	35,330	35,125	205
Summerland Hospital Society The .....	4,288	4,525	(237)	5,470	5,457	13
Sunny Hill Hospital for Children .....	7,420	7,437	(17)	9,272	9,225	47
Surrey Memorial Hospital Society .....	56,042	55,497	545	79,647	79,840	(193)
Tahsis Hospital Society .....	897	896	1	800	869	(69)
Terrace Regional Health Care Society .....	14,794	14,036	758	15,705	15,585	120
Tofino Hospital Society .....	813	868	(55)	1,799	1,827	(28)
Trail Regional Hospital Society .....	11,902	13,594	(1,692)	25,941	25,644	297
Trillium Health Care Society .....	2,834	2,778	56	3,014	3,004	10
Tumbler Ridge Health Care Services Society ...	2,382	2,215	167	1,137	1,109	28
University Hospital Society .....	57,418	60,735	(3,317)	183,011	182,902	109
Valemount Health Planning Society .....	699	614	85	417	429	(12)
Vancouver General Hospital .....	160,206	169,361	(9,155)	292,102	288,914	3,188
Vernon Jubilee Hospital Society .....	42,738	44,804	(2,066)	42,691	43,065	(374)
Victorian Hosp & Health Serv. Soc. of Kaslo....	754	681	73	902	942	(40)
West Coast General Hospital Society The .....	10,021	9,848	173	16,571	16,200	371
Whistler Health Care Society .....	1,246	948	298	1,191	1,207	(16)
Wrinch Memorial Hospital .....	2,432	2,352	80	3,268	3,335	(67)
	<u>2,007,182</u>	<u>1,980,105</u>	<u>27,077</u>	<u>2,846,896</u>	<u>2,839,537</u>	<u>7,359</u>

Almost all long-term debt associated with construction projects is the responsibility of the hospital districts. As a result, these hospital societies' financial statements do not reflect this long term debt and the associated interest expenses.

For consistency, deferred capital income reported in the balance sheet of some hospitals was classified as equity.

The figures on this schedule are a summation of the audited financial statements of British Columbia Hospital Societies. Totals shown are only to give the reader an idea of the scope of the organizations on a collective basis. Financial statements of individual hospital societies may be requested. (See E3).



**Summary of Audited Financial Statements of Public Bodies  
Reporting Under the *Financial Information Act*  
for the Year Ended December 31, 1991  
(Unaudited)**

	(In Thousands)					
	Balance Sheet			Operating Statement		
	Assets \$	Liabilities \$	Equity \$	Revenue \$	Expenditure \$	Surplus \$
<b>Municipalities</b>						
<b>Cities:</b>						
Armstrong .....	14,136	3,832	10,304	2,904	2,714	190
Burnaby .....	1,371,744	61,585	1,310,159	159,994	155,815	4,179
Castlegar .....	31,602	8,631	22,971	8,700	8,652	48
Colwood .....	12,741	1,181	11,560	5,359	5,236	123
Coquitlam .....	245,389	46,567	198,822	60,173	59,655	518
Courtenay .....	26,706	6,646	20,060	12,312	12,198	114
Cranbrook .....	80,952	26,944	54,008	19,024	18,282	742
Dawson Creek .....	78,794	29,991	48,803	16,737	16,527	210
Duncan .....	20,386	3,369	17,017	4,619	4,579	40
Enderby .....	6,960	2,227	4,733	1,561	1,607	(46)
Fernie .....	36,505	14,229	22,276	7,209	7,061	148
Fort St. John .....	57,755	19,054	38,701	16,946	16,899	47
Grand Forks .....	22,719	4,019	18,700	5,283	5,242	41
Greenwood .....	3,758	1,096	2,662	714	696	18
Kamloops .....	332,015	114,372	217,643	62,356	61,726	630
Kelowna .....	281,514	69,063	212,451	83,620	81,643	1,977
Kimberley .....	41,226	9,736	31,490	8,740	8,667	73
Langley .....	58,450	7,900	50,550	13,537	13,309	228
Merritt .....	20,471	3,380	17,091	5,270	4,925	345
Nanaimo .....	203,154	46,079	157,075	71,909	70,133	1,776
Nelson .....	52,182	7,416	44,766	18,289	18,237	52
New Westminster .....	131,149	25,565	105,584	61,915	61,915	0
North Vancouver .....	173,012	27,577	145,435	37,828	37,617	211
Parksville .....	26,828	8,344	18,484	7,960	7,959	1
Penticton .....	143,582	28,093	115,489	36,896	36,018	878
Port Alberni .....	73,475	11,020	62,455	23,937	23,530	407
Port Coquitlam .....	86,989	7,014	79,975	27,157	27,102	55
Port Moody .....	67,436	7,570	59,866	17,277	16,354	923
Prince George .....	356,529	78,601	277,928	65,246	65,233	13
Prince Rupert .....	134,690	31,561	103,129	37,451	37,270	181
Quesnel .....	34,753	9,515	25,238	11,821	11,821	0
Revelstoke .....	38,571	4,827	33,744	7,752	7,521	231
Richmond .....	608,087	96,428	511,659	108,576	103,350	5,226
Rossland .....	7,457	2,098	5,359	3,163	3,163	0
Terrace .....	37,011	10,051	26,960	12,468	12,193	275
Trail .....	41,425	9,132	32,293	15,162	15,145	17
Vancouver .....	4,888,347	652,978	4,235,369	602,100	588,571	13,529
Vernon .....	102,802	33,074	69,728	22,773	22,618	155
Victoria .....	233,402	29,276	204,126	92,550	89,342	3,208
White Rock .....	35,990	7,041	28,949	12,650	12,523	127
Williams Lake .....	41,528	12,606	28,922	11,014	10,676	338
	<u>10,262,222</u>	<u>1,579,688</u>	<u>8,682,534</u>	<u>1,800,952</u>	<u>1,763,724</u>	<u>37,228</u>



**Summary of Audited Financial Statements of Public Bodies  
Reporting Under the *Financial Information Act*  
for the Year Ended December 31, 1991—Continued  
(Unaudited)**

	(In Thousands)					
	Balance Sheet			Operating Statement		
	Assets \$	Liabilities \$	Equity \$	Revenue \$	Expenditure \$	Surplus \$
<b>Municipalities</b>						
<b>Districts:</b>						
100 Mile House .....	10,667	4,027	6,640	2,630	2,349	281
Abbotsford .....	76,843	27,455	49,388	17,386	17,193	193
Campbell River .....	104,197	31,252	72,945	23,081	21,630	1,451
Central Saanich .....	33,509	4,579	28,930	10,649	10,304	345
Chetwynd .....	23,146	7,313	15,833	3,662	3,492	170
Chilliwack .....	179,526	36,932	142,594	35,854	35,762	92
Coldstream .....	14,833	4,804	10,029	4,558	4,366	192
Delta .....	397,784	100,477	297,307	77,237	75,024	2,213
Elkford .....	49,028	20,469	28,559	7,918	7,654	264
Esquimalt .....	32,903	7,713	25,190	14,131	12,962	1,169
Hope .....	10,179	733	9,446	3,120	3,096	24
Houston .....	14,922	2,750	12,172	3,207	2,943	264
Hudson's Hope .....	6,999	896	6,103	2,439	2,133	306
Invermere .....	14,896	7,610	7,286	2,839	2,602	237
Kent .....	12,230	2,387	9,843	3,602	3,394	208
Kitimat .....	54,227	9,507	44,720	15,797	15,186	611
Langley .....	250,557	43,234	207,323	45,523	44,489	1,034
Logan Lake .....	9,116	3,054	6,062	2,686	2,594	92
Mackenzie .....	33,177	7,058	26,119	8,646	8,102	544
Maple Ridge .....	224,064	55,617	168,447	35,700	34,798	902
Matsqui .....	162,041	42,047	119,994	49,009	48,206	803
Metchosis .....	5,765	370	5,395	1,663	1,424	239
Mission .....	87,062	26,645	60,417	21,066	20,513	553
New Hazelton .....	5,302	667	4,635	989	935	54
North Cowichan .....	75,198	10,806	64,392	15,811	15,521	290
North Saanich .....	20,725	2,183	18,542	6,015	5,708	307
North Vancouver .....	298,439	28,032	270,407	57,162	56,392	770
Oak Bay .....	57,601	7,516	50,085	20,972	20,970	2
Peachland .....	11,472	2,328	9,144	2,809	2,532	277
Pitt Meadows .....	40,852	3,338	37,514	6,740	6,740	0
Port Edward .....	10,568	1,069	9,499	2,717	2,603	114
Port Hardy .....	32,658	4,897	27,761	5,736	5,555	181
Powell River .....	58,287	14,339	43,948	16,606	16,395	211
Saanich .....	200,134	42,629	157,505	66,660	64,613	2,047
Salmon Arm .....	69,175	11,237	57,938	10,656	10,573	83
Sechelt .....	9,600	2,311	7,289	3,035	2,786	249
Sechelt Indian Government .....	103	16	87	375	363	12
Sicamous .....	4,628	981	3,647	1,670	1,763	(93)
Spallumcheen .....	7,749	376	7,373	2,021	2,002	19
Sparwood .....	54,583	9,616	44,967	7,193	6,757	436
Squamish .....	46,009	14,284	31,725	11,550	10,931	619
Stewart .....	7,834	1,101	6,733	2,365	2,077	288
Summerland .....	37,057	7,688	29,369	9,670	9,417	253
Surrey .....	853,415	168,570	684,845	202,513	201,048	1,465
Taylor .....	10,657	1,772	8,885	3,811	3,771	40
Tofino .....	11,249	218	11,031	1,544	1,530	14
Tumbler Ridge .....	61,095	33,632	27,463	11,157	11,084	73
Vanderhoof .....	11,301	2,099	9,202	3,067	2,970	97
West Vancouver .....	152,825	45,880	106,945	62,726	62,433	293
Whistler .....	91,523	31,443	60,080	19,473	17,780	1,693
	4,047,710	895,957	3,151,753	947,446	925,465	21,981

**Summary of Audited Financial Statements of Public Bodies  
Reporting Under the *Financial Information Act*  
for the Year Ended December 31, 1991—Continued  
(Unaudited)**

	(In Thousands)					
	Balance Sheet			Operating Statement		
	Assets \$	Liabilities \$	Equity \$	Revenue \$	Expenditure \$	Surplus \$
<b>Municipalities</b>						
<b>Towns:</b>						
Comox .....	14,341	1,531	12,810	7,189	6,813	376
Creston .....	27,040	9,517	17,523	3,866	4,017	(151)
Fort Nelson .....	23,099	6,417	16,682	4,449	4,359	90
Gibsons .....	12,497	2,015	10,482	3,327	3,228	99
Golden .....	14,869	4,112	10,757	3,505	3,363	142
Ladysmith .....	21,305	6,481	14,824	4,716	4,464	252
Oliver .....	16,141	4,809	11,332	4,122	3,847	275
Osoyoos .....	16,097	4,827	11,270	3,237	3,130	107
Port McNeill .....	9,183	1,314	7,869	1,515	1,537	(22)
Princeton .....	9,143	1,441	7,702	2,112	2,093	19
Qualicum Beach .....	22,297	4,723	17,574	5,195	4,952	243
Sidney .....	28,279	4,671	23,608	8,405	7,996	409
Smithers .....	33,813	9,098	24,715	4,952	4,844	108
View Royal .....	12,633	4,646	7,987	2,722	2,651	71
	260,737	65,602	195,135	59,312	57,294	2,018
<b>Villages:</b>						
Alert Bay .....	3,922	206	3,716	604	521	83
Anmore .....	1,050	113	937	492	449	43
Ashcroft .....	10,109	2,632	7,477	2,157	2,086	71
Belcarra .....	1,172	167	1,005	306	306	0
Burns Lake .....	10,728	1,896	8,832	1,784	1,749	35
Cache Creek .....	5,396	1,944	3,452	1,691	1,436	255
Chase .....	9,714	3,443	6,271	1,983	2,000	(17)
Clinton .....	2,826	588	2,238	701	591	110
Cumberland .....	5,334	378	4,956	1,529	1,365	164
Fort St. James .....	9,853	3,023	6,830	1,929	1,920	9
Fraser Lake .....	5,180	1,266	3,914	1,286	1,286	0
Fruitvale .....	5,253	2,015	3,238	1,317	1,272	45
Gold River .....	20,021	5,361	14,660	5,070	4,761	309
Granisle .....	3,255	402	2,853	1,518	1,375	143
Harrison Hot Springs .....	5,804	1,511	4,293	1,276	1,049	227
Hazelton .....	3,555	913	2,642	670	695	(25)
Kaslo .....	3,574	1,391	2,183	880	879	1
Keremeos .....	4,304	1,587	2,717	966	936	30
Lake Cowichan .....	9,303	3,498	5,805	2,329	2,260	69
Lillooet .....	7,247	1,719	5,528	1,197	1,198	(1)
Lions Bay .....	3,382	310	3,072	795	774	21
Lumby .....	4,055	671	3,384	915	907	8
Lytton .....	1,881	348	1,533	466	460	6
Masset .....	6,677	1,099	5,578	1,233	1,186	47
McBride .....	2,629	562	2,067	857	817	40
Midway .....	2,802	123	2,679	505	460	45
Montrose .....	3,223	573	2,650	734	728	6
Nakusp .....	7,377	485	6,892	1,484	1,310	174
New Denver .....	2,212	414	1,798	475	449	26
Pemberton .....	8,349	1,215	7,134	867	874	(7)
Port Alice .....	2,906	462	2,444	1,383	1,334	49
Port Clements .....	3,352	1,521	1,831	796	787	9
Pouce Coupe .....	5,299	2,160	3,139	1,086	889	197

**Summary of Audited Financial Statements of Public Bodies  
Reporting Under the *Financial Information Act*  
for the Year Ended December 31, 1991—Continued  
(Unaudited)**

	(In Thousands)					
	Balance Sheet			Operating Statement		
	Assets \$	Liabilities \$	Equity \$	Revenue \$	Expenditure \$	Surplus \$
<b>Municipalities</b>						
<b>Villages—Continued</b>						
Radium Hot Springs.....	5,502	3,555	1,947	1,365	1,337	28
Salmo.....	3,767	707	3,060	736	718	18
Sayward.....	2,905	311	2,594	593	591	2
Silverton.....	1,343	226	1,117	332	295	37
Slocan.....	2,291	702	1,589	501	455	46
Tahsis.....	9,542	1,247	8,295	3,214	2,705	509
Telkwa.....	2,749	816	1,933	834	727	107
Ucluelet.....	6,605	589	6,016	1,367	1,210	157
Valemount.....	6,445	1,456	4,989	1,465	1,313	152
Warfield.....	4,449	251	4,198	1,235	1,142	93
Zeballos.....	1,582	192	1,390	753	722	31
	<u>228,924</u>	<u>54,048</u>	<u>174,876</u>	<u>53,676</u>	<u>50,324</u>	<u>3,352</u>
<b>Total Municipalities</b> .....	<u>14,799,593</u>	<u>2,595,295</u>	<u>12,204,298</u>	<u>2,861,386</u>	<u>2,796,807</u>	<u>64,579</u>
<b>Regional Districts</b>						
Alberni—Clayoquot.....	12,848	8,429	4,419	4,716	4,287	429
Bulkley—Nechako.....	18,932	14,885	4,047	4,671	4,482	189
Capital.....	232,203	140,985	91,218	74,483	70,821	3,662
Cariboo.....	61,765	39,966	21,799	15,766	15,182	584
Central Coast.....	2,222	205	2,017	314	312	2
Central Fraser Valley.....	99,750	79,255	20,495	14,028	13,872	156
Central Kootenay.....	38,650	21,203	17,447	14,944	12,927	2,017
Central Okanagan.....	65,606	48,874	16,732	18,121	17,297	824
Columbia Shuswap.....	29,251	19,441	9,810	9,755	9,255	500
Comox—Strathcona.....	84,134	55,860	28,274	20,419	19,162	1,257
Cowichan Valley.....	46,528	23,802	22,726	15,691	14,308	1,383
Dewdney—Alouette.....	61,093	50,373	10,720	10,937	10,766	171
East Kootenay.....	68,752	60,878	7,874	15,007	14,256	751
Fort Nelson—Liard.....	9,468	6,140	3,328	4,528	4,250	278
Fraser—Cheam.....	30,531	21,500	9,031	8,682	8,161	521
Fraser—Fort George.....	69,035	59,845	9,190	18,030	17,139	891
Greater Vancouver.....	333,498	279,287	54,211	67,598	66,843	755
Kitimat—Stikine.....	23,259	16,623	6,636	5,265	5,242	23
Kootenay—Boundary.....	29,749	14,009	15,740	12,659	13,056	(397)
Mount Waddington.....	8,820	5,310	3,510	2,169	2,140	29
Nanaimo.....	107,607	75,075	32,532	29,756	27,773	1,983
North Okanagan.....	46,425	31,704	14,721	13,541	13,053	488
Okanagan—Similkameen.....	34,635	27,490	7,145	10,435	9,791	644
Peace River.....	88,460	75,363	13,097	20,633	20,010	623
Powell River.....	11,380	8,736	2,644	3,106	2,390	716
Skeena—Queen Charlotte.....	28,962	27,313	1,649	5,516	5,490	26
Squamish—Lillooet.....	23,691	21,621	2,070	4,833	5,051	(218)
Sunshine Coast.....	27,516	11,149	16,367	8,731	8,907	(176)
Thompson—Nicola.....	81,000	74,943	6,057	22,802	21,549	1,253
<b>Total Regional Districts</b> .....	<u>1,775,770</u>	<u>1,320,264</u>	<u>455,506</u>	<u>457,136</u>	<u>437,772</u>	<u>19,364</u>

The figures on this schedule are a summation of the various local government funds. No eliminations have been made for inter-fund transfers. The operating statements for municipalities do not include taxation collected for other governments (eg. school, hospital, British Columbia Assessment Authority, Municipal Finance Authority and other) but do include taxation for regional district purposes. The financial statements of individual municipalities and regional districts may be requested. (See E3).

**Summary of Audited Financial Statements of Public Bodies  
Reporting Under the *Financial Information Act*  
(Unaudited)**

	(In Thousands)					
	Balance Sheet			Operating Statement		
	Assets \$	Liabilities \$	Equity \$	Revenue \$	Expenditure \$	Surplus \$
<b>Other Public Bodies</b>						
Discovery Foundation .....	39,264	33,392	5,872	6,404	4,496	1,908
Insurance Council of British Columbia .....	716	427	289	856	1,098	(242)
Legal Services Society .....	13,513	13,674	(161)	92,435	88,260	4,175
	<u>53,493</u>	<u>47,493</u>	<u>6,000</u>	<u>99,695</u>	<u>93,854</u>	<u>5,841</u>

The financial information presented is at the following dates: Discovery Foundation—March 31, 1992, Insurance Council of British Columbia—May 31, 1992, Legal Services Society—March 31, 1993.

Included in this summary are only those reporting entities that are not reported in the Summary Financial Statements in section F. Totals are shown only to give the reader an idea of scope of other public bodies reporting under the *Financial Information Act*. The financial statements of these entities may be requested. (See E3).

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